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ABSTRACT

The active involvement of students in a study of the customs, traditions, and institutionalized ways society has organized to preserve economic stability is the goal of this consumer education teaching guide. Designed for the use of social studies teachers, units are devoted to the studies of: (1) the economic system; (2) income procurement; (3) consumer behavior determinants; (4) consumer alternatives; (5) roles, rights, and responsibilities; and (6) community resources. For each unit, specific teaching topics, objectives, student activities, and resource materials are suggested. (CP)

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SOCIAL STUDIES RESOURCE SUPPLEMENT TO

CONSUMER EDUCATION

CURRICULUM GUIDE FOR OHIO

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VOCATIONAL EDUCATION DIVISION
STATE DEPARTMENT OF EDUCATION
COLUMBUS, OHIO

SOCIAL STUDIES RESOURCE SUPPLEMENT

TO THE CONSUMER EDUCATION CURRICULUM GUIDE FOR OHIO

OHIO STATE BOARD OF EDUCATION

1971

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FOREWORD

During June of 1971 the Ohio Department of Education sponsored and coordinated a Curriculum Workshop for the purpose of developing specialized supplements to the *Consumer Education Curriculum Guide for Ohio, Grades K-12.* More than eighty teachers and teacher educators, representing nine different subject areas attended. Each of them contributed significantly to the new guidelines.

Special acknowledgements are due Mrs. Sonia Cole, Assistant Director, Vocational Education, Home Economics Section, who has provided continual leadership in Consumer Education, Dr. Robert Goble, Professor of Education, Miami University, who served as Project Director in developing these supplements, Mrs. Margaret Driver and Miss Barbara Reed, Supervisors in Vocational Home Economics, Mr. Dennis Lupher, Consumer Economic Education Supervisor, Vocational Education Division, and Dr. Robert Myers, Associate Dean, School of Business Administration, Miami University.

In addition, special appreciation is extended to the following persons for their contributions.

Mr. Sam Blaskey, Officer of Consumer Affairs, Executive Office of the President, Washington, D.C.

Mr. Paul Coleman, Executive Council, Department of Welfare, State of Ohio

Mr. Roger Downing, Executive Vice President, Ohio Consumer Loan Association

Mr. Solomon Harge, Director, Consumer Protection, Cleveland, Ohio

Mr. Byron Hollinger, Director of School Relations, Ohio Council on Economic Education

Mr. Robert R. Kibrick of Olcott Forward Co.

Dr. Harlan Miller, Executive Secretary, Council on Family Finance Education & Educational Director, Institute of Life Insurance

Mr. Robert R. O'Reilly, Director of Changing Times Education Service

Mr. H. Lester Rupp, Grolier Education Corporation

Others, too numerous to mention, have had a positive influence on the workshop and the resulting supplements. Their dedication and assistance are genuinely appreciated.

Martin W. Essex
Superintendent of Public Instruction

Ohio's
Advisory Committee on
Consumer Economic Education

The Superintendent of Public Instruction, Martin Essex, appointed the Consumer Education Advisory Committee to the Ohio Department of Education for the purpose of assisting and advising in the development and enrichment of consumer education programs in the schools of Ohio. Membership on the committee is representative of government, education, business and industry. The committee, coordinated by Mr. C. William Phillips, has provided suggestions in the development of several projects in consumer education.

Appreciation is extended to these members for their advise and counsel which has aided in the development of consumer education resource materials. The names of the committee are listed on the following page.

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INTRODUCTION

What can the area of consumer economics contribute to the existing social studies curriculum? If the social studies are designed and implemented for the purpose of allowing students to examine man and his environment in the holistic framework that draws from history, geography, political science, sociology, economics, anthropology and social psychology, then the specialized area of consumer economics can aid students as they conceptualize how man must provide time and energy to a system that enables him to secure scarce resources and allocate those resources to meet his basic needs.

By sampling selected concepts and tools of analysis from the economist, and focusing in on the methods the consumer utilizes as he plays his many roles of worker, saver, spender, borrower, investor, consumer, and citizen, the students will have the opportunity to discover the consequences of decision-making in a complex free society.

Societal expectations imply that the citizenery be informed about the forces around them, and be able to rationally distill the important from the trivial. Therefore, concerning matters of economic understanding, the schools in general, and the social studies in particular are obligated to provide experience for students so that they may strive for economic competence and achieve maximum satisfaction from their resources.

Preparing students to cope with the practical problems of everyday living (providing housing, food, clothing, and medical care) should stress recognizing and analyzing components of the total economic system as well as aspects of consumer behavior. However, a study of the behavior of the consumer should not be interpreted as "economics", because economics is concerned not only with the individual parts of our economy—the consumer, the business, the union, and the market—but the sum total of these components as they relate to the whole economy.

The teaching suggestions which follow are to be fused to the existing social studies offerings, and were designed to promote active involvement on the part of the students when they grapple with the consequences of their consumer roles, and examine the customs, traditions, and institutionalized ways society has organized to preserve economic stability.

A re-occurring skill that of the decision-making—is woven throughout the six major segments. The writing committee has included additional models for the decision-making process so that individual styles of learning may be facilitated. In addition, values and value clarification is encouraged because students must be made aware of the problems and conflicts with which consumer citizens must cope.

ACKNOWLEDGEMENTS

Much appreciation is due to the members of the Social Studies writing committee for their willingness to put in many extra hours of work in developing this supplement to consumer education. Their diligence in making the concepts in this guide relevant to the area of social studies was truly a contribution to the existing offerings.

The writing team included:

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A special acknowledgement is extended to Mr. Byron Walker, Supervisor of Social Studies, State Department of Education and Mr. Dennis Lupher, Supervisor of Consumer Education, State Department of Education for the continual support and meaningful reactions throughout the writing project.

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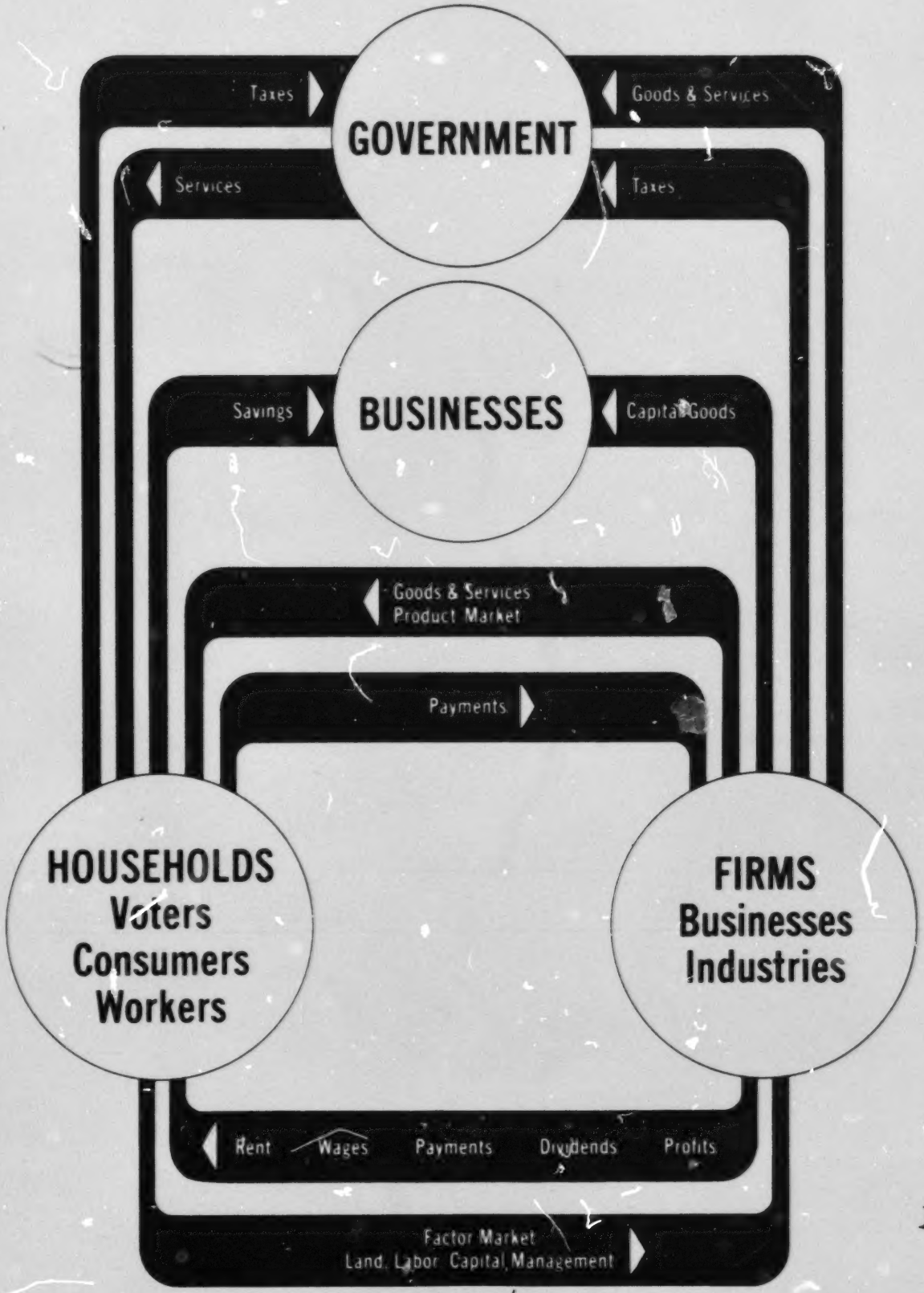
ECONOMIC SYSTEM



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ECONOMIC SYSTEM

OVERALL OBJECTIVE

The student identifies the basic components and operation of the economic system so that he can understand his roles in the system as consumer, producer, and citizen.

The purpose of this section is to suggest basic societal economic concepts that will aid the consumer education process. A knowledge of these concepts is considered necessary if the student is to develop a sound and viable consumer decision rationale.

Suggestions for the integration of societal economics into the American History and American Government curriculums are given here. However, these pages are not intended as a manual but as a catalyst for the teacher's own thinking. The teacher employing the ideas presented here must adapt, expand or create new exercises to fit his or her classroom, personality and familiarity with economic concepts.

The major ideas incorporated in this section include:

Man's wants are unlimited. The resources from which he can satisfy those wants are limited. Man must, therefore, choose the products for which the resources are to be used. An economic system is an attempt by a society to provide an orderly and efficient process of determining the exact utilization of resources. The nature of a society's economic system is determined by available resources, technology, institutions, and values. Any economic system must answer these questions:

a. What is to be produced?
b. How is it to be produced?
c. How much is to be produced?
d. Who is to receive the products?

ECONOMIC SYSTEM

OBJECTIVE: The student recognizes the circular nature of the economy and can interpret a model which represents the flow of goods, services, and money.

Concept	Suggested Learning and Evaluation Experiences	Suggested Resources
Circular flow of goods, services, and money A. Producers B. Consumers C. Savings D. Investment E. Government	**American History** Trace the development of economic interdependence as the U.S. moved from an agrarian to an industrial economy. Have students describe the years 1928 through 1946 in terms of the circular flow of money, goods, services. Utilize this exercise as an historical illustration of the consequences (positive and negative) of economic interdependence. **American Government** Have students identify and diagram the flow of money drawing upon their own life experience as their only resource. Illustrate the established flow with local examples. A color slide sequence depicting the flow in the local community can be constructed by the students (or teacher) for under five dollars in cost. These exercises should help reduce a seemingly abstract concept into a concept within the student's life experience.	
Economic Inter-Dependence	Have students analyze a local (or near-by) strike situation in terms of its effect upon participants and the community resource persons (grocer, banker, local tax agent, retailer, laborer, executive) for the prupose of discussing economic interdependence, using the strike situation as a catalyst for the discussion. (This panel could be audio taped or video taped for repeated use).	Heilbroner, THE MAKING OF ECONOMIC SOCIETY

ECONOMIC SYSTEM

OBJECTIVE: The student lists and defines the identifiable characteristics and goals inherent in American Capitalism.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Goals of American Capitalism A. Economic Freedom B. Economic Justice C. Economic Growth D. Price Stability E. Full Employment	**American History** Have the students attempt to identify the goals of merchantile England. Compare and contrast those goals with those of emerging American capitalism. Identify events in pre-revolutionary American that could be interpreted economically, with respect to the growing philosophical and practical division of colonial and English Economics.	Lovenstein, CAPITALISM, COMMUNISM AND SOCIALISM Samuelson, ECONOMICS
Characteristics of American Captialism A. Private Property B. Free Enterprise C. Profit Motive D. Price and Wage Allocation E. Competition	**American Government** Before any in-depth discussion of this concept, group the major political and economic systems into their basic elements (individual rights, central powers, ownership of factors of production, locus of economic decisions, etc.). List the components in random order within their respective categories. Ask the students to identify and list together the compatible components. Use as a tool for logical analysis of complementary economic and political philosophy. Have the students identify their own economic plans and activities and compare them to the characteristics of the society's plans and activities.	

GENERALIZATIONS:

The American economy is not fixed; it is constantly changing. However, it stays within the dictates of our society's institutions, moral structures, and physical limitations.

The common right to private property is not historical. Few societies have achieved or tolerated private ownership of the significant factors of production.

The concepts of American capitalism and American democracy are, by design and necessity, complementary and inseparable.

ECONOMIC SYSTEM

OBJECTIVE: The student recognizes the nature of money and understands the basic functions of our financial institutions.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Money	**American History** The Jacksonian Period provides a useful historical issue. Have students debate the hard and soft money issue. The famous purchase of Manhattan Island for twenty-four dollars can be used as a springboard for discussion on the values of money in cross-cultural terms. **American Government** The new low silver coins can be used as a discussion lead in on the topic of how money obtains its value. A quarter is now worth only three or four cents but still has a value of twenty-five cents. Why? The same sort of discussion can be built around paper currency which is no longer backed (in any percentage) by gold, yet maintains its exchange value.	Board of Governors, Federal Reserve System, THE FEDERAL RESERVE SYSTEM: PURPOSE AND FUNCTIONS
Commercial Banks	The bank crisis of the depression can be utilized in a discussion of the working of commercial banks. A model situation can be set up in the classroom employing a simple deposit-loan situation. Depict normal operations as well as the panic situation of 1933. The public relations officer of a local bank can be of great service to the classroom. This is a rather complex topic (commercial banks) and an expert (who, incidentally, usually has access to outstanding audio-visual aids) can be invaluable in establishing a working body of knowledge in the classroom.	Local banks

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Expansion of the Money Supply through Demand Deposits	**American Government** This concept can be effectively approached by establishing a model or role-playing situation involving commercial bankers, depositors, borrowers and a Federal Reserve Bank. Have the students act out normal functions of these roles. Direct a nearly continuous analysis of the impact of each transaction. Every effort must be made to keep the model as basic and concrete as possible. Monetary abstracts are difficult for most students.	

Generalizations:

Money has no inherent value but obtains its basic worth from the willingness of the society members to treat it as a medium of exchange.

The demand deposit is the key to the expansion or contraction of our money supply.

ECONOMIC SYSTEM

OBJECTIVE: The student identifies the factors which contribute to the price of a product or service as a basis for understanding cost and wage determination.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Markets: Price & Wage Determination	**American History** Compare and contrast the pre-revolutionary price and wage determination (under the influence of mercantilist England) with the free market determination in effect after the revolution. Direct the discussion particularly toward any socio-economic changes that could be attributed to the change.	Friedman, FREE MEN AND FREE MARKETS Chamber of Commerce of the United States
	Compare and contrast theoretical price and wage determination with the discernible actualities. (Labor unions, big business, cost of education, etc. could be identified as modifying factors).	AFL-CIO Industrial Union Dept.
	Have students survey as many local job opportunities as possible; then compile a chart showing availability. Necessary skills, pay scale, security and general job description. Use as a basis for discussing the elements of wage determination. Follow with an analysis of a local or well publicized national wage dispute. The federal guidelines (productivity figures, inflation alerts, etc.) can be injected into the discussion.	Galbraith, AMERICAN CAPITALISM

GENERALIZATIONS:

The theoretical concepts of wage and price determination in pure capitalism have been modified extensively by the mixed nature and complexity of our modern economy.

ECONOMIC SYSTEM

OBJECTIVE: The student is knowledgeable about the effects of the earning, spending, saving and borrowing habits of consumers on the economy.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Fluctuations in the Economy	Have the students apply circular flow analysis to the depression. (i.e., the 1920's and 30's)	Hansen, THE POSTWAR AMERICAN ECONOMY
	Utilize a role-playing situation involving groups of students performing historically accurate earning and spending patterns of the various basic economic elements (producers, consumers, government). Select periods of various activities such as the 1920's, post World War II, the late 50's. Analyze the possible reasons for the actions of each group. Establish the interdependence of the actions of the elements.	Shannon, THE GREAT DEPRESSION Council of Economic Advisors, ECONOMIC REPORT OF THE PRESIDENT
	American Government Utilize the "Bonus Army" incident as a springboard for discussing the relationship between economic fluctuation and the relationship of the government to the people. The rise of communist cells during the depression is another possible springboard.	
	Apply circular flow analysis to military spending and the Federal government. Have students determine the effects of disarmament in economic and subsequent social terms. Use historical periods of fluctuations as reference for social prediction. Determine the political implications of military spending levels (based on the above analysis).	
	Have students determine the factors (through circular flow analysis) contributing to economic fluctuation. Then determine the political and social "price" of an economic system free of fluctuation.	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Inflation	**American History** Compare and contrast the inflation which occurred in the Confederacy with the inflation of the past few years. Identify the causative factors in both cases. Then compare and contrast the inflation of 1957-59. Identify the new factor in the inflationary push (carbon contracts). This can lead into a discussion on the preservation of profit (i.e., the wage-price spiral). **American Government** Survey the local community opinion on wage and price controls. Attempt to sort the responses by occupation, income level, economic role, etc. Seek local and national political opinion from legislators. Compare and contrast the data. Have students compare and contrast the rationale for income support (welfare) and income restriction (wage & price control).	Samuelson, ECONOMICS

GENERALIZATIONS:

Economic fluctuation is an inherent characteristic of a free market system. A combination of economic, psychological, and political factors contribute to the instability.

Economic fluctuations have far reaching political impact and have been a major factor contributing to many changes in our government's philosophy and procedure.

Inflation has been a recurring problem in our economic system. Its root causes it to grow more complex along with our economy. The modern consumer with a basic knowledge of economic fluctuations can not only be a factor in limiting those fluctuations but increase his own efficiency as well.

ECONOMIC SYSTEM

OBJECTIVE: The student identifies the roles of government in the economy and is knowledgeable about his rights and responsibilities as a citizen to promote appropriate legislation and services to the benefit of the whole economy.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Role of Government -Legislator -Regulator -Employer -Consumer -Fiscal & Monetary Policy	Have students list and identify the major economic philosophies and policies of Franklin Roosevelt. Use this information to discuss the theory that FDR was not a great liberal but rather a reactionary, merely reacting to the social pressures of the depression with the minimum possible reform.	Bernstein, Heilbroner A PRIMER ON GOVERNMENT SPENDING
	Compare and contrast the economic philosophies of the 1950's with those of the 1960's. Compare the levels of economic activity during those periods.	Heller, NEW DIMENSIONS OF POLITICAL ECONOMY
	Trace the evolvement of various regulatory agencies. Identify the cause of the creation; analyze their effects. Compare and contrast those concepts with the classical theory of capitalism. Ask students to justify the modifications.	Samuelson, ECONOMICS
	Have students consider the degree of centrality of each of the county seats. Geographical and political considerations aided the decision to locate the seat of government. Students should be encouraged to list the economic considerations for locating the county seats. Are some factors relevant today? How are the cities changing to attract consumers?	
	American Government Have students analyze current government activities in terms of the Employment Act of 1946. Have students identify the various government activities that could be said to be overt government involvement in the economy for the particular purpose of modifying some aspect of economic activity. Justify the activities with respect to the constitution, economic theory and circular flow analysis.	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Set up a model Federal Reserve and Council of Economic Advisors. Give them problem situations and ask them to apply the appropriate monetary or fiscal policy. Have the students establish a proof for the action by supporting it with statistical data from historical events and application of economic theory. In the absence of large scale manufacturing in the colonies, the consumer was limited in the finished goods he could purchase. Have students list the methods whereby consumers met their basic needs during this time. What impact has the advent of large scale manufacturing had on consumer buying today. If some students begin to focus on the negative aspects of monopolist, have students consider the following: 1. electrical power 2. water service 3. roads 4. telephone service	

GENERALIZATIONS:

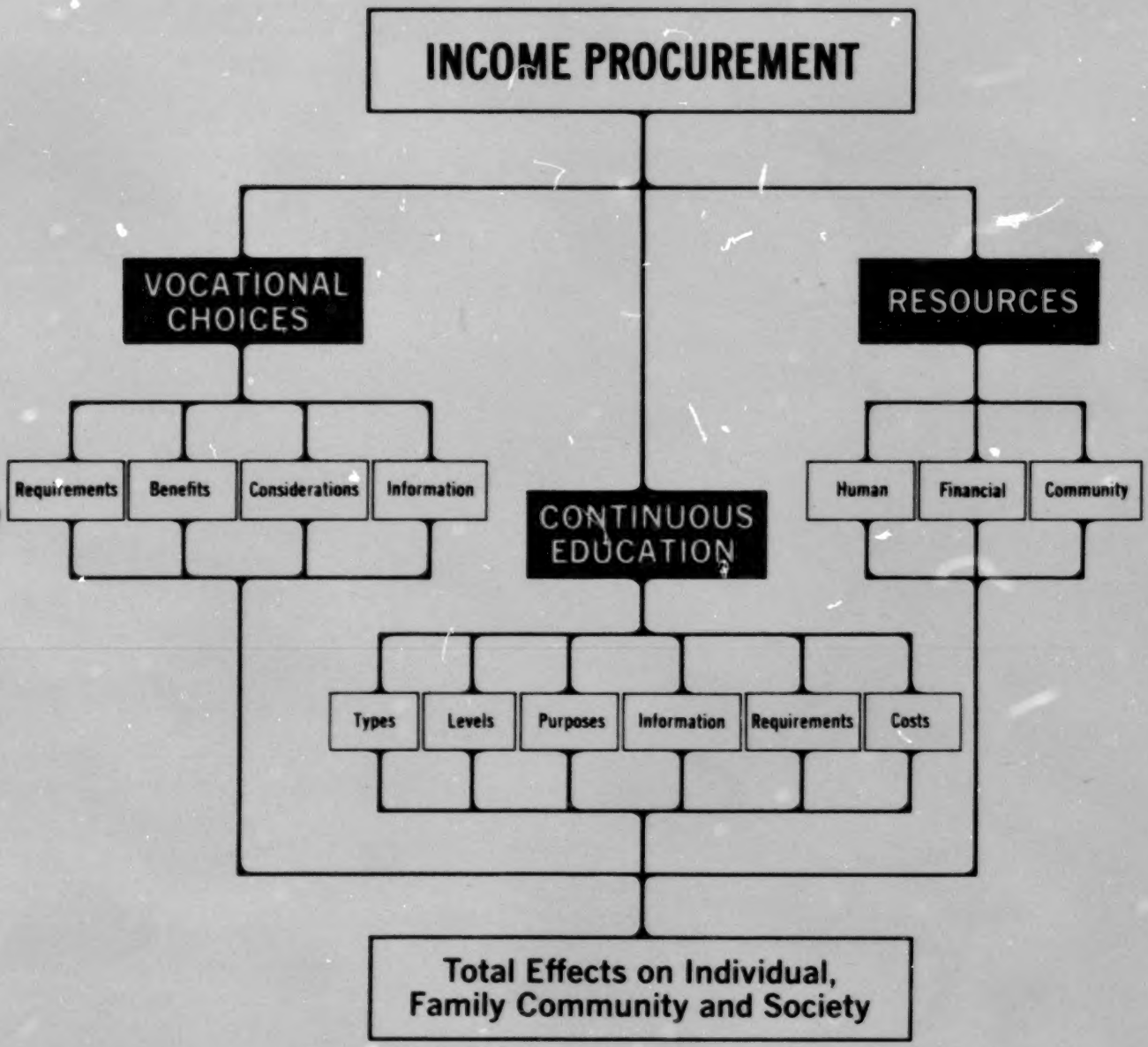
Captialism in the United States has slowly been modified by the addition of government involvement. The complexity of the developing economy has demanded some stabilizing agent be brought to bear. The government attempts to fill that role.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Discuss the Taft-Hartley Law with respect to the circular flows. Ask students to analyze a current (or recent) national strike situation where the 90 day cooling off period has been invoked. Compare and contrast the goals and characteristics of capitalism with the provisions of the Taft-Hartley Law.	
	American History Have students prepare a line graph of GNP for the 1900's. Have students prepare a time-line reflecting major political or socio-political changes in the 1900's. Compare the two charts. Use as a springboard for discussion of economic pressure on political action.	Galbraith, THE AFFLUENT SOCIETY
	American Government Have students determine the "Gross Community Product" for their locality. (This can be approximated by using various public tax records or the resources of certain local groups such as the Chamber of Commerce). Ask students to draw generalizations from the GCP figure. Prove or disprove the generalization by gathering evidence from the community. Discuss the effects of possible movements of the GCP. (Down, steady, up). Use as an approach to the more abstract GNP.	Cleveland Trust Co., "Economic Cycles Since 1870," (wall chart)

GENERALIZATIONS:

Modern American capitalism is made up of highly interdependent units. Expenditures of one unit become income for another unit.

GNP is a useful measure of a nation's output or income but it does not give an accounting of the quality or distribution of that output.


INCOME PROCUREMENT
VOCATIONAL CHOICES
RESOURCES
Requirements
Benefits
Considerations
Information
CONTINUOUS EDUCATION
Human
Financial
Community
Types
Levels
Purposes
Information
Requirements
Costs
Total Effects on Individual, Family Community and Society

INCOME PROCUREMENT

OVERALL OBJECTIVE

The student develops an understanding of income procurement with analysis of how security and wages relate to education and training. The student will broaden his economic concepts to the point that each recognizes his vocational potential and his importance in our economic society.

The student develops an understanding of the changing role of the worker in Income Procurement.

There are more than 60 million family or consumer units in the U.S. economy. Nearly 50 million are family units, while over 10 million are unattached individuals. Every person is classified as a member of a family or consumer unit. These are the basic decision-makers, in the economy, receiving income and disposing of it through spending on consumption or saving.

Life cycles affect all personal economic activities. For example, young and growing families have quite different consumer needs than families of older people. Workers in the prime years of their careers earn more than very young or very old workers.

1. Earning an Income
   Income is received from three major sources:
   - A. Payment for work
   - B. Ownership of property
     - (1) Land = rent
     - (2) Capital = interest
     - (3) Management = profit or dividends
   - C. Transfer payments (e.g., social security, public assistance, veterans benefits)
2. There are vast differences in the amounts of income received by various individuals and households.
3. Earnings (payments for work) differ among individuals depending on the number of hours a year the worker is employed, his wage rate, occupation, industry, education, age, sex, color, geographic region and other factors.
4. A worker's earnings are generally related to the productivity of his labor and also to the money value of the goods or services which he helps produce for sale in the market.
5. For a man or woman to participate successfully in the labor force—to get a good job, be regularly employed, be productive and well-paid, and derive personal satisfaction from work and relationship on the job—it is necessary to acquire knowledge and skills (through education and training) and make a wise choice of occupation and career.
6. Studies of the relationship between earnings and education show that people with more schooling generally have higher incomes.
7. The real value of a person's income—the purchasing power of a given quantity of dollars—is determined by the prices of the goods and services he buys. During inflation prices in general go up and the value of the dollar correspondingly goes down. The purchasing power of a given amount of money income (e.g., $500 per month) is reduced. Real income is computed by adjusting money income to changes in prices.
8. Improvements in technology, such as automation and computerization, are changing the structure of the American economy (e.g., job opportunities for white-collared workers have expanded and there is greater employment in the production of services rather than goods) thereby changing the pattern of job opportunities, skill requirements, labor productivity and earnings.

INCOME PROCUREMENT

OBJECTIVE: The student identifies and utilizes available resources in reaching his goals in terms of potential capacities.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Barter	**American History/Am. Government**	
	Student handout #1	
Human Resource Development	reference #1-a	
	reference #1-b	
	reference #1-c	
	reference #1-d	
	The students should consider the following questions:	
	1. At what age did a boy start to do a man's work in the frontier period?	
	2. How did a boy learn his trade or profession?	
	3. What was the role of the father and mother in developing marketable skill?	
	4. Why was labor traded for goods or training?	
	5. Answer the above four questions as if Adam and Rachel were your brother and sister living with you in your home today.	
Requirements of a vocation:	DEMONSTRATE ABILITY IN THE INTERPRETATION OF RAW DATA	
Educational Training related to salary & wages	Have students analyze the following data and test their assumptions about the value of formal education. Consider specialized schooling, such as, nursing, trade schools.	
Opportunity cost	WHAT IS EDUCATION WORTH IN AVERAGE LIFETIME EARNINGS (thousands)	
	Less than 8 years of elementary school 196	
	8 years elementary school 258	
	1-3 years high school 294	
	4 years high school 350	

GENERALIZATIONS:

1. Resources are available to people in varying degrees. The use of these resources determine how completely one reaches his goals and achieves personal satisfaction.
2. Knowledge, skills, training and motivation are important components of Human Resource development.
3. The Barter system is a limiting factor to trade. (People may not want to receive beeswax or window glass in exchange for labor).

INCOME PROCUREMENT

OBJECTIVE: The student recognizes, explains, and accepts the total effect that his income procurement will have on the individual, the family, the community, and the society.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Individual: Accomplishments of goals Satisfaction Opportunity cost Standard of Living Balance in the economy	**American History** By referring to the above diagram (triangle) answer the following questions. Keep in mind the DICE game of reasoning (Reference 1-d). A. Which of the three sides would be modified by the actions suggested by the following headlines? 1. President imposes rent ceilings 2. Penn Central defaults on loan control taken by federal government 3. Consumer price index rose sharply last month 4. Unemployment skyrockets among Viet Nam vets. 5. Full employment ensured by "Government as last resort employer" bill passed into law today.	Landis, YOUR MARRIAGE AND FAMILY LIVING Warmke, Wyllie, Wilson, Eyster, CONSUMER ECONOMIC PROBLEMS

GENERALIZATIONS:

1. An individual can serve in three distinct economic roles—as a consumer, as a worker, and as a citizen.
2. The manner in which income is procured, as well as the amount of income, affects directly the volume and quality of goods and services produced and consumed in an economy.
3. The individual should after an evaluation be able to accept, or if necessary pursue a more satisfactory alternative of income procurement in order to meet his personal economic goals.

INCOME PROCUREMENT

OBJECTIVE: The student identifies and examines private and public agencies on the local, state, and national levels which will enable him to secure continuous education and training in order to achieve personal satisfaction and self-fulfillment.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Preparation for further education Preparation for employment Professional Vocational-technical Apprenticeship	**Economic/Amer. Government** THE FEDERAL ROLE IN EDUCATION Northwest Ordiance of 1787 The Morrill Act of 1861 The Smith-Hughes Act of 1922 The G.I. Bill of Rights of 1944 The Employment Act of 1946 The National Defense Education Act of 1958 The National Science Foundation of 1959 The Manpower Development Training Act of 1962 Vocational Education Act of 1963 Economic Opportunity Act 1967 Assign the class responsibility for collecting and developing arguments for and against federal aid to education—a debate can be organized— Analyze how education and economic growth are interrelated to the individual and society using reference 4B-DICE game of reasoning.	Calderwood and Fersh, ECONOMICS IN ACTION Tuttle and Perry, AN ECONOMIC HISTORY OF THE UNITED STATES

GENERALIZATIONS:

1. There is a high correlation between education and economic growth.
2. Economic growth creates jobs.
3. Education and training enhance the worker's employability, productivity, and earning power.

INCOME PROCUREMENT

OBJECTIVE: The student explores, investigates, and selects an occupational area which he considers appropriate to his abilities and interests in order to function in Society.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Human Resource Development includes values, motivation, and attitudes.	**American History** Students Handouts #2, #2a, #2b Read "No Love for the Iron Horse" Read "The Dropout Who Came Back" Read "Skill and Satisfaction" The roadway and waterway era contributed to the growth of certain segments of our econmony. Some communities are concerned with the national highway system and the need for airports. Transportation does affect the economy, but how specifically does transportation affect the income of the various aspects of our economy? What future trends in transportation will contribute to income procurement patterns? Consider: 1) Supersonic transport 2) Amtrak system 3) Advent of million dollar shopping malls	Ginzberg, THE DEVELOPMENT OF HUMAN RESOURCES, New York, McGraw-Hill, 1966
Division of Labor Self-sufficient Family unit	**American history/government** See student handout #1 Provide the students with the following questions: 1. Why did the family in the frontier period seem to have been far more self-sufficient than the family today? 2. Can you suggest any advantages of this type of family? 3. How self-sufficient is your family today? Have students read "Advice to a Young Tradesman, 1748" by Ben Franklin. Students may be encouraged to write their own analysis of trade and consumer determinants to perspective "trademen."	Ohio History Resource Guide for Frontier Ohio

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	WHAT IS EDUCATION WORTH IN AVERAGE LIFE-TIME EARNINGS? (thousands)*	
	1-3 years college.....411 4 or more years college .....586 *Source: Bureau of Census	OCCUPATIONS AND CAREERS, Webster-McGraw-Hill
	1. Why is there such a big difference between the lifetime earnings of the worker who has one to three years of high school and those of a worker who has completed high school and received his diploma? 2. Why does four or more years of college offer the largest lifetime earning?	
Monetary rewards Occupational outlook Personal satisfaction	Have students number a sheet of paper from 1 to 12. List in order of importance: "What people want from their jobs." Put the following information on the overhead projector and compare with students' list.	"Choosing Your Occupation" available from the Supt. of Documents
Mobility Future Necessity for Retraining Working conditions:	1. Security 2. Interesting work 3. Opportunity for advancement 4. Recognition 5. Working conditions 6. Wages 7. Supervision 8. Social aspects of the job 9. Opportunity to learn or use ideas 10. Hours 11. Ease of job 12. Fringe benefits	OCCUPATIONAL OUTLOOK HANDBOOK, U.S. Dept. of Labor Earning Income, a resource kit for teaching consumer education by Changing Times Educational Service.
	PICK A GROWING FIELD *type of work* — *expected growth* Professional & technical — 84% faster Service — 53% faster Clerical — 32% faster Managers, officials, & proprietors — 11% faster Craftsmen and foremen — 5% faster Machine operators — 53% faster Laborers — 125% faster Farmers — 200% faster	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Hist./Eco./Am. Government	
Barter Money Human Resource Development Wages	The student, through role playing, demonstrates the necessity of money in our modern economic system. How could we go about exchanging goods and services without money? (Members of class may have some suggestions.) Have students examine the conditions before there was such a thing as money as we know it today. In early times, as we have learned, most families provided their own needs and wants, and there was very little necessity for trade or exchange, goods or services had to be traded for goods or services. This was called *barter*. As you can imagine, many problems developed. If a farmer had only a cow to trade, how could he trade for an amount of cloth which was worth only one-fourth of a cow? *Allow 15 minutes of class time. Pass out on different color, if possible, 3x5 index cards e.g. the following: (Bartering exercise) *Buy* 5 ax handles 10 doz. eggs 3 days of labor Keg of nails 14 hatchets 20# salt ½ cow Month of labor *Sell* 7 ax handles 8# of nails 10 hatchets 10# bolts 1 cow 1 week of labor 3 weeks of labor 20 doz. of eggs	Ohio History Resource Guide for Frontier Ohio Reference 3-B Encyclopedia Britannica Filmstrip Series 7220 "Living & Working Without Money"

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	How realistic was the role playing? Try to imagine what the problems might be if all business and exchange had to be conducted in this manner today? (Think of problems at school, at home, in father's work or business, the community, the nation).	

GENERALIZATIONS:

Role of Human Resources has changed in regards to work: 1) function of work historically was to produce goods for survival; 2) to earn income which started in the 16th and 17th century; 3) to satisfy non-economic needs a. recognition b. prestige c. power d. self-expression e. instinct of workmenship

1. In a simple economy, labor is utilized to a greater extent than capital.
2. Division of labor is beneficial in most situations.

Special skills and educational background affects job choice and future earnings.

1. The money a person can earn depends on the skills he can offer.
2. A person can increase his skills through education and experience.
3. Job-hunting and career-planning require self-analysis and decision-making.
4. Taking a job involves assuming responsibilities as an employee and as a citizen.
5. The payoff for college education is 12% per annum.

Money as a societal innovation.

1. Money is a means of payment, and anything that people use as a means of payment will be money to them.
2. Money is a medium of exchange, a measure of value, and a stone of value.
3. Wages are payment made for use of human resources.
4. Wages are the price paid for use of labor.

Student Handout #1

Setting: Ohio Territory, 1800

Characters: Adam and Rachel from: *Frontier Ohio* Division of Elementary and Secondary Education, Department of Education, Ohio

Adam, age 16, was awakened by his hound, Zeb, barking outside the family cabin. He quickly arose and pulled on his homespun pants and shirt. Adam's boots rubbed his legs as he ran to the pasture to find the family cow and horse. Thus began another day of life on the frontier.

This was an important day in the life of Adam and his sister Rachel, age 14, because they were going to Chillicothe with their parents to visit cousins and to trade at Uncle Elmer's store. Adam wanted to trade or barter his furs for gunpower so he could hunt when the work slacked after the hay season. Rachel and her mother wanted to trade the surplus butter and eggs for some hair ribbons and perhaps some cloth that wasn't as coarse as the homespun material made last winter for daily wear. Adam's father wanted to trade some ax, pitchfork, and shovel handles he had made for some metal. Adam was learning from his father who had unusual skill in working with wood.

Rachel interrupted Adam's thoughts by calling him to breakfast. She had helped her mother bake bread yesterday so they could get an early start today. She wouldn't tell Adam that she had made the bread because he would complain and find some fault as he had done in the past.

Reference 1-a

The following are notices taken from newspapers in the Ohio region between 1800 and 1802:

WANTED FOR HIRE in Chillicothe (for term of one year). A lad, between 12 and 15 years of age, to whom good wages will be given: one of the same age will be received as an Apprentice to the Cooper's business, if he can come well recommended.

Cattle and pork will be accepted in payment for goods. *Scioto Gazette* (Chillicothe) December 18, 1802.

Reference 1-b

Some of the young men paid in work at thirty-eight cents per day, which was the current trade rate for work, though it could be obtained for twenty-five cents in cash at almost any time. Young men would engage in farm labor very cheerfully for five dollars to five dollars and fifty cents a month. —from— William Cooper Howell's, *Recollections of Life in Ohio Farms,* 1813 to 1840, p. 142.

Reference 1-c

Money was scarce. People exchanged goods and services (labor) for whatever they desired.

A. What is money or income, and what are its functions?
   1. Definition: A generally accepted item of value.
   2. Functions
      a. Medium of exchange
         1. income received in the form of money
         2. money used to purchase desired goods and services, or to effect exchange.
      b. Measure of value as the price or financial value of goods and services
      c. Store of value since it may be saved and invested for future use
      d. Basis for credit or the measure of ability to pay for a goods or service in the future

B. How has the present concept of money developed?
   1. Barter or simple, direct exchange of surplus goods and/or services for desired ones
   2. Early forms of commodity money:
      a. salt
      b. stones
      c. bones
      d. shells

e. iron
f. living money (livestock)
g. agricultural products
h. wampum
i. deerskin passed early for a dollar (Buck)

Reference 1-d

Dr. Roman Warmke, Classroom Lecture at Ohio University:
THE DICE GAME OF REASONING

D define the problem

I identify and rate priority of goals. This may lead to conflict and require value judgment.

C Choose alternative courses of action

E evaluate the causal results of a course of action

These case studies were taken from *Manpower and Economic Education* by Robert L. Darcy and Phillip E. Powell, and are published by the Joint Council on Economic Education. Teachers are encouraged to secure this relevant and timely guide, if possible.

Student Handout #2

"No Love for the Iron Horse"

"In 1940 I heard they were hiring people at the automobile assembly plant I figured I'd get a job and then, with the electrician experience I got in vocational school, I could work my way up to a good job. The idea of making automobiles sounded like something pretty important. Lucky for me, I got a job and was made a spot welder. There wasn't much to the job itself. I picked it up in about a week. Later I was drafted into the Army. When I came back in 1946, I tried to get into the Maintenance Department as an electrician, but there was no opening. So I went back to the assembly line—we call it the 'iron horse'. They made me a welder again, and that's what I've been doing ever since.

"My job is to weld the hood to its metal underbody. I take a job off the bench, put it in place, and weld the parts together. The job is all made up, and the welds are made in certain places along the metal. Exactly twenty-five spots. The line runs according to schedule. Takes me one minute and fifty-two seconds for each job. The cars differ, but the job is practically the same thing every time. Finish one car and then have another one staring me in the face.

"I don't like to work on the assembly line—no man likes to work on a moving line. You can't beat the machine. Sure, maybe I can keep it up for an hour, but it's rugged doing it eight hours a day, every day in the week all year long.

"When I'm working there is not much chance to get a breather. Sometimes the line breaks down. When it does we all yell 'Whoopee!' As long as the line keeps moving I've got to keep up with it. On a few jobs I know, some fellows can work up the line, then coast. Most jobs you can't do that. If I get ahead maybe ten seconds, the next model has more welds to it, so it takes ten seconds extra. You can't win. You're always behind.

"I like a job where you feel like you're accomplishing something and doing it right. When everything's laid out for you and the parts are all alike, there's not much you can accomplish. The big thing is the steady push of the conveyer—a big machine that I can't control.

"It's hard to feel that you're ever doing a good quality job. There's a constant push, at high speed. You may improve after you've done a thing over and over again, but you never reach a point where you can stand back and say, 'Boy, I done that one good. That's one car that got built right.' If I could do my best I'd get some satisfaction out of working, but I can't do as good work as I know I can do."

Questions

1. What kinds of economic activity are described in this case?
2. Why do you think this worker feels the way he does toward his job?
3. How do you think you would feel if you were a worker on the 'iron horse' assembly line?

Student Handout 2-a

"The Dropout Who Came Back"

"Joe Sorrentino has 25 scars on his hands to prove that he is a street fighter. By the time he was 20, he had flunked out of high school four times, had been booted out of the Marines, and had lost 30 jobs. The second oldest of seven children, Joe always wanted to be an "achiever," and in his neighborhood an achiever had to be handy with his fists. A veteran of more than 100 rumbles, Joe was put on probation by a juvenile court after one particularly bloody street fight. When he was in his first year of probation, he flunked out of high school. Not long after he enrolled in another high school at night—he failed there also. In a third try at high school he didn't last a semester.

"At 14, Joe had begun trying his hand at various jobs, achieving a record for failing which was 'better' than even his school career. On his first day of work at a bleach factory, he attempted to carry 10 gallons of bleach to a truck he was loading and dropped all 10. Joe later worked in a sweater factory where he had the embarrassing experience of being awakened from a nap by the President of the company. Another job opportunity for Joe came through a furniture company's ad in the newspaper which read: 'Want ambitious young man who seeks responsibility.' After a month of aligning wheels of teacarts, he got tired of responsibility.

"Joe enlisted in the Marines when he turned 18 but could not stand the discipline, and rebelled. He fought with recruits, rioted in the mess hall, and tried to run away. Judged an 'incorrigible' by the Marines, he was sent packing with the General Discharge. Back home, he was a hero to his old streetgang buddies. But within himself, Joe felt ashamed. At 20, he came to realize that his only chance for a better life was through education. So he went back to high school, for the fifth time, at night, working days in a supermarket. After two years, he graduated with the highest average in the night school's history.

"Despite only fair results on college entrance exams, his grades got him admitted to the University of California. At first, Joe felt he had nothing in common with the college youths who talked about summer vacation and beach parties—things he knew nothing about. But he stuck it out and in his senior year, was elected president of the student body. After graduating with honors, Joe went back into the Marine Corps for two years, feeling that he had to make up for his past record. He did. This time he became a platoon leader, highest scorer in athletic competition, and changed his General Discharge to an Honorable one.

"In June of last year, 30-year-old Joe Sorrentino was valedictorian at Harvard Law School. Joe has received several offers to work for major U. S. law firms. Instead, he wants to serve a term as an assistant U.S. or State Attorney in California."

Questions

1. Identify some of the attitudes and values that Joe had before he finished high school, and compare them with his later outlook on life.
2. What can we learn from Joe's case about job opportunities and the economic rewards that are available in our economic system?

Student Handout 2-b

"Skill and Satisfaction"

"I'm a die designer. We draw up the prints when somebody has a bright idea for a new die. Dies are tools that are used in the plant for shaping material for machine production. They come around to the planner and ask him whether or not we should work on it. They then give it to us and we have to design a die that will compete with one that they might have had designed outside the firm.

"I used to make dies, that's how I got started. I came to XYZ Corporation for my apprenticeship right out of high school. I had a friend whose father was a supervisor and this fellow started in here. In those days employment was tight and it wasn't easy to get a job, but I came in after my friend did. He told me about it and managed to get me in. But I wasn't doing tool and die work then. They started me on the assembly line. I worked on the line nights. But after I was in the plant for a while I looked around and I thought that I'd like to go into die work.

"You'd walk into the die shop and it was always so neat and clean. They clean the machines up every weekend. The floors were always clean. Well, one of the supervisors thought I could learn the work so he took me on as an apprentice. I had to take a cut in pay but it was worthwhile. So I started at the bottom. Along with your work on the job you were supposed to go to school at night. We started there by taking what they called a five-year course. I finished it up in 2800 hours. That meant some going. They taught us all that an engineer learns, but from a practical standpoint.

"I'm always trying to do the best job I can. XYZ is my company. I'm going to stick with them until they cross me up. Until now they've been very good to me. If the work I do doesn't satisfy them, well, that's just too bad. I always do the best work I can.

"When I got back from the Army after the war I thought I should be in a higher position. I never said anything about it but one day the boss called me into his office and he asked me if I wanted to be a designer. I had never been any great shakes at drawing in school but I figured I'd have a go at it. Well, that's what I'm doing today and I'm one of eight in the whole plant. What I draw and design in eight hours makes enough work to keep production men busy for fifty or sixty hours.

"The engineers in our firm who are college graduates have to come to me to ask questions. I won't take anything away from them, they're smart. They know all about stresses and strains but when they want something done they have to come to me. That's something I'm very proud of."

Questions

1. How would you describe this worker's attitude toward his job? Toward life?
2. Do you think this worker has achieved success? Why?

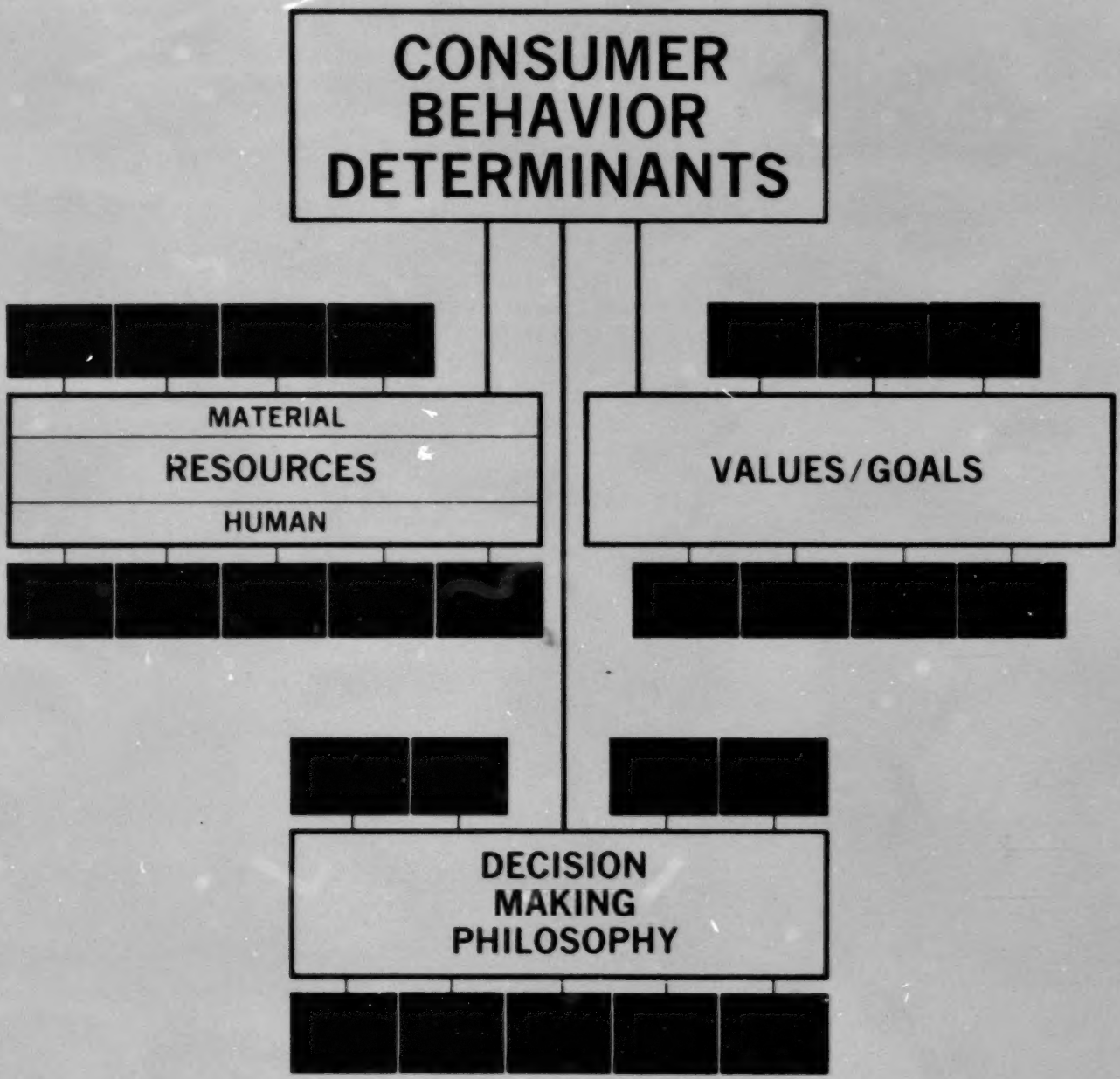
CONSUMER BEHAVIOR DETERMINANTS

OVERALL OBJECTIVE: At the conclusion of this study in consumer behavior determinants the student will be able to comprehend, analyze and evaluate those external and internal factors which influence his buying behavior.

This section will suggest various learning experiences which will encourage the student to examine the influence of personal income, personal taste and product availability upon purchase decisions. The examination of consumer behavior determinants through a series of pupil-centered activities is intended to increase the students' awareness of their consumer decision-making behavior. It is hoped that greater awareness will lead to an analysis of these behavior determinants and an evaluation of them. This, in turn may help the student to positively modify his own actual consumer behavior.

The actual decision made by the consumer is of primary importance in consumer education. The philosophy of decision-making is basic to the study of why and how decisions are made. Marketing studies, psychologists, sociologists, and others analyze and predict behavior. This information seems a logical element of the education of the individual and may provide an important background for his own choices.

In addition to the activities suggested for Consumer Behavior Determinants, there are case studies, student exercises, and criteria sheets. This information is placed immediately following the last objective.


CONSUMER BEHAVIOR DETERMINANTS
MATERIAL
RESOURCES
HUMAN
VALUES/GOALS
DECISION MAKING PHILOSOPHY

CONSUMER BEHAVIOR DETERMINANTS

OBJECTIVE: The student alters his consumer behavior when he recognizes the need for a change through an identification of the varying influences which affect his philosophy of decision making.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Sociology/American Government	
	Primary Questions to Explore:	Class set of
Needs	1. How would you define need? want?	local newspapers
	2. Do you think wants and needs differ with income?	
Wants	3. Is one family's want another family's need?	
	4. Do advertisements present their products	
Marketing	more as luxuries or necessities?	
	(see student handout #1)	
Advertising	**Activities**	
	Divide your class into teams of two. Pass out to each pair a *teacher-made index card on which is listed a family financial profile—certain fixed expenses; take-home pay; number of dependents; age of dependents; expendable income.	*Teacher-made financial profiles *Teacher-made needs cards
	Distribute a newspaper to each pair and have them choose to purchase specific items from the advertisements with their expendable income. After they have listed the items they wish to purchase and the price of these, have them place an "N" next to any purchase they would consider to be a need.	
	Next pass out a teacher-made "needs" card on which is listed the necessary items and obligations of their family. Have the students compare their list of purchases with the necessary expenditures. If they have not met all of the tested needs with their purchase choices, have them calculate the cost of each real need. Then have each student rearrange his list of expenditures showing what items they chose to delete from their purchase choices in order to accommodate their real needs.	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	After the exercise conduct a class discussion around what items they removed, why they chose those items to begin with, whether they changed in their assessment of an item as a need or a want. Then relate the primary questions to them.	
Marketing Media Advertising Wants Needs	**Sociology/American History** Make magazines, construction paper, scissors, and glue available to the class. Have students cut out four advertisements which the student perceives as selling *necessary* products. Then have them glue these to the paper provided and place them on a bulletin board which has been labelled, Wants—Needs. Have each student explain why he classified his chosen products as needs. List these products on the chalk board. After each presentation ask if any person would disagree with the choices made. If the class is reticent to challenge at first, the teacher could ask questions which will force the students to define their choices, thereby encouraging participation. Note: The purpose of this activity is to allow students to analyze their choices on the basis of their own conceptions of necessities and luxuries, to compare and contrast the two concepts; to verbally articulate and defend the validity of their own analysis to their peers. It is not the purpose here to construct a definition for the terms wants and needs which everyone must accept or use. Then discuss with the class whether or not they feel that advertising influenced their discrimination wants and needs. Important questions to explore: 1. How do I perceive wants and needs? 2. What are some of the factors which have influenced my perceptions?	

GENERALIZATION:

Our philosophy of decision-making should be affected by our emotions, habits, experiences, and problems so that the goods and services we select will draw us closer to the goals we have set.

CONSUMER BEHAVIOR DETERMINANTS

OBJECTIVE: The student recognizes satisfactions which come from his consumer behavior and shows empathy for other people who make decisions different from his own as a result of his identifying and understanding of the varying influences which affect his personal values and goals.

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History/Sociology	
Life style	(See student handout #3) Obtain an old Sears Catalog, copy several pages and the table of contents. Pass out copies to the class. Have class write generalizations or hypotheses about life at that time in history from these ads.	
Customs	Depending on the pages copied it is suggested that the teacher list specific topics around which to hypothesize (e.g. form of life; medical care, women's shoes fashions, etc.) The purpose is to demonstrate what we can learn about a society by examination of its patterns of consumer choices. Have the class then list some hypothesis space travelers from another planet would be able to make about our society from examining the ads in one newspaper. Pass out class sets of a local newspaper and have the students write generalizations from them about their contemporary world. Compare these two sets of hypotheses. Have the class list changes in some major areas of American life from the turn of the century until today on the basis of this comparison. Have them make a list of projected changes between now and the turn of the twenty-first century. Important questions to explore: 1. What can the consumer market tell us about the social life of a time history? 2. Why is it said that the only constant in life is change?	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics/American Government (See student handout #4—1 and 11)	
Marketing Media Advertising	Show the film strip "Advertising: Focus in Modern Living". Have the students list the advantages that advertising gives the consumer. (If this film strip is not available, any film or film strip or speaker or article listing the benefits of advertising in a market economy would suffice).	THE HIDDEN PERSUADERS, by Vance Packard "Wooing the Dimply Pimply" by Charles and Bonnie Remsberg
	Activities Students read fictional news item (appendix). Divide students into two groups. Those assigned "neutral" cards are to prepare television talk show concerning support and opposition to proposed legislation of advertising means and methods. Conclusions and open-ended dialogue can be researched for clarification.	CHANGING TIMES, "What's Behind the Ads?" Section "Advertising: A Force in Modern Living" (filmstrip)
	Research: 1. Percent of income derived from newspaper and magazine advertising. 2. Employment figures of your community of individuals in advertising.	

GENERALIZATION:

The consumer should learn to interpret the function of advertising.

CONSUMER BEHAVIOR DETERMINANTS

OBJECTIVE: Student demonstrates he can use his current resources to meet his needs and wants in a responsible and legal manner as a result of his understanding of the human and material resources which influence consumer behavior.

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Government/Economics	
Marketing Media Advertising	Use a teacher-made handout consisting of sentence completions from well-known commericals and advertisements (e.g. "you've got a lot to live and _____"). Have the students complete these forms. Correct orally. Discuss what this exercise tells us about ourselves and our society in relation to advertising. Have students formulate their thoughts into hypotheses. These can then be placed on display in the room. Important questions to explore: 1. Does advertising affect my decisions? 2. Why can sales jingles often be remembered better than facts from school courses? 3. What are the possible implications of this influence by the advertising media?	
	Economics/American Government	
Resources Material Income Goods Marketing Media Advertising Human Knowledge Skill Time Energy	(See student handouts # I, II, III, IV) Have students bring a shopping list for discussion of the following: 1. How does their listing compare with ad prices? 2. Impulse buying versus a prepared list. 3. The concept of unit price. 4. The advantages of shopping more than one store. 5. The impact of coupons and other promotion gimmicks.	Class set of local newspaper containing grocery advertisements Speaker from a local grocery chain

GENERALIZATIONS:

Individual and family consumer behavior, influences and is influenced by the use of human and material resources; therefore, the consumer should manage these resources to reach his recognized goals.

Families and individuals place varying degrees of importance on material and human resources; therefore, the use of limited resources and the substitution of available for unavailable resources is sometimes necessary to increase the effectiveness of meeting wants and needs.

CONSUMER BEHAVIOR DETERMINANTS

OBJECTIVE: The student recognizes satisfaction which comes from his consumer behavior and shows empathy for other people who make decisions different from his own and as a result of his identifying varying influences which affect goals and values.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Government/American History	
Values-Goals	Introduction Ask students to consider the factors that impinge upon their spending habits.	Ohio Public Interest Action Organization
Human Resources Knowledge Time Energy	Have students write a newspaper account of a political candidate's views about government spending (military, pollution, scientific research, etc.).	U.S. Pocket Data Book
Decision Making	Discuss implication of social action groups such as: a. conservation groups b. consumer advocate groups c. selected Congressional personalities Compare the issues and trends of the social, economic, and political aspects of consumerism.	
	Table #1 Percent Distribution of the Federal Budget *1969* National Defense 44.1% Commerce & Transportation 4.4% Health, Labor, Welfare 26.6% Natural Resources and Other 2.6%	
	Economics	
Values Goals Life style Peer influence	The student should be exposed to a variety of consumer behaviors both on the part of individuals and society in general. (See student handout #6.) Each of the handouts requires the student to react in some way to the data or the fictional situations. The students should be allowed to respond to this open-ended situation through any means in which they are comfortable and feel successful (written response; oral response; dramatic response).	"Wooing the Dimply Pimply", Consumers' Union Filmstrip, "Consumers In Action" Association Sterling Films "Margolius Vs. Teen Cult," Consumers' Union

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Each of the various cases, stories and data statements should be examined in the light of the following questions: 1. What are values? Goals? 2. What influences our selection of goals and values? 3. What do our adopted goals and values influence in our life? 4. What are some of the ways we can identify a person's or a society's hierarchy of values and goals. Followup activity: Discuss with the class "Wooing the Dimply Pimply" by Bonnie Remsburg. Show and discuss the film strip "Consumers in Action."	
Resources human knowledge skill time energy	**Economics/American Government** (See student handout #9) Have students list the various techniques that appear in advertisements. List specific actions which should be taken by public institutions, private agencies, and government bureaus. Students should be made aware of the time and money it may cost after a conflict arises.	JUTICE IN URBAN AMERICA SERIES THE POOR PAY AND PAY, Urban America Series, Pendulum Press
Material income services marketing media	Consider the following: a. The Give-Away: Ad which purports that the purchaser of a product-A will receive completely free product-B. b. Gimmick? Cost of product-B hidden in price of product-A.	
Decision-Making experience problems emotions habits want need	c. Fraudulent Sales Notice: Fire Sale; Lease Ran Out; Closing Our Doors; These notices may be legitimate or they may be a come-on. Comparative shopping will show whether an item under the guise of a sale is actually reduced. Pancake flour regularly 25¢ per package were put on *sale* 2 for 50¢. They sold like hot cakes. d. Low Balling: An item is advertised for a price lower than it actually costs in order to get you to the store. Gimmick? The advertiser revises his estimate upward when you decide to make the purchase	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES

("Now, Let's see that's $15, delivery charge, $3.06 for preparation. . .").

e. Bait-and-Switch: A very low priced item is advertised. Gimmick? When you go to buy this item the salesman disparages the item's quality; refuses to deliver or even to sell it, he then tries to switch you to a higher priced item. ("A person of your caliber obviously has quality tastes. . .").

f. Credit Claims: "No Money Down" or "EZ Credit" or "None Refused" or "Credit Problems? See Us." This type of claim can lead you to purchase poor quality at a high price. Gimmick? You buy at high interest rates. Miss a payment and you may see the product repossessed and your wages garnished. Moral: Shop for credit.

GENERALIZATIONS:

At various times in the life cycle, peer group or social status are such strong influences that some people buy goods on services which they do not enjoy or even want; therefore, goals may never materialize.

The individual's and the family's quality of life, life style, socio-economic level, and customs may determine the consumer's decisions; therefore, his behavior in the marketplace will be evidenced by the combination of goods and services chosen.

Individual and family consumer behavior influences, and is influenced by, the use of human and material resources; therefore, the consumer should manage these resources to reach his recognized goals.

CONSUMER BEHAVIOR DETERMINANTS

OBJECTIVE: The student attempts to alter societal consumer behavior when he recognizes the need for change through an identification of factors influencing decision-making.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Influencing Factors Goals Values Wants Needs Problems Habits Emotions	Have students poll friends for favorite brands of soaps, cleansers, insecticides, etc. Graph the popularity of each category by brand name based on group results. Distribute this list of products by brand name and research their potential for contributing to health and pollution problems. Graph these results. Combine the first two graphs into a chart showing results of both projects, brand popularity as opposed to brand safety. Determine an action or set of actions which could be taken to put these results into the hands of local consumers. Have students investigate the availability of alligator skin products and leopard skin products in local business establishments. Pass out to students: 1. Facts concerning the ecological value of "gator holes" to the swamp environment and the rate of "poaching" occurring presently in the "protected" areas of the nations' wilderness areas, particularly the everglades. 2. The threat of extinction faced by the leopard from hunters. 3. An historical recounting of the fettish for plumes in women's fashion around the turn of the century and the effect this had on native bird populations. The campaign organized by the Audobon society which persuaded consumers not to buy feathered fashions and which thereby saved many birds from extinction.	TEACHING FOR SURVIVAL, Terry Grossman and Hamlet, OUR VANISHING WILDERNESS Swatek, THE USERS GUIDE TO THE ENVIRONMENT

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES

4. A data sheet on the North America animals now facing extinction. (Since 1900 an average of one species of animal per year has become extinct world-wide.)
5. A table of statistics on the use of the tax dollar for "environmental control" which employs use of poisonous 10-80 in the West which in turn is endangering the life cycle of birds and mammals in that area.

Important questions to explore

1. What do these five sources tell us about collective consumer goals and values?
2. Can the consumer society in America take effective action against these trends? If so what? Do we have any historical evidence that a consumer boycott works? What types of communication changes have taken place since the 1890's? Would these help or hinder the organization of consumers to demand environmental preservation?
3. Is there any political action we citizen-consumers can take to encourage environmental preservation? If so, what?
4. Can we draw up a list of consumer goals aimed at environmental protection?
5. Are we all users of the environment? Are we all responsible to be conservers as well as consumers?
6. What influence, if any, do you think the enshrinement of the profit motive has had on environmental abuses?

GENERALIZATION:

Families and individuals place varying degrees of importance on material and human resources; therefore, the use of limited resources and the substitution of available for unavailable resources is sometimes necessary to increase the effectiveness of meeting societal needs and wants.

STUDENT HANDOUT #1

FAMILY FINANCIAL PROFILE CARD

NAME _____

NUMBER OF DEPENDENTS _____

AGE OF DEPENDENTS _____

TAKE HOME PAY _____ per _____

FIXED EXPENDITURES: Shelter _____

Food _____

Medical _____

Utilities _____

Transportation _____

DISPOSABLE INCOME AFTER EXPENDITURES: _____

FAMILY NEEDS CARD

1. Shoes for father
2. Suit for son's graduation
3. Dress for mother
4. Unforeseen car repair of $50.00

STUDENT HANDOUT II#3

The Richners have two sons in junior high school. The youngsters want to join their friends at camp in the western United States for a month during the summer. The cost is approximately $800.00. The Richners have this in their bank account. However, they feel that in a very few years their sons will be ready for college. Unless they plan now the family might not be able to afford the expense of higher education. They decide against sending the boys to camp.

From the above account which of the following statements best reflect the Richner's goals and values?

A. Live for today—tomorrow may not come—

B. Money invested in education is of only secondary importance.

C. Sometimes we must put off pleasures today in order to provide for tomorrow's needs.

D. None of these

STUDENT HANDOUT I #4

THE FEDERAL PRESS "The Now News You Need To Know"

Washington D. C.

A bill has been introduced in the Senate which will ban all advertising in the fifty states and the District of Columbia. The proponents of the measure have been moved toward this action by the lack of self-regulation shown by the advertising industry, and by the increase in costs of advertising being borne by the consumer.

The eventual effect that this would have on the American economy is not known. The bill is expected to be hotly debated with heavy lobbying on both sides----.

STUDENT HANDOUT II #4

Sample list of role assignments
(class of 30)

Assignment	*Number of students*
— Newspaper publisher	3
— Magazine publisher	1
— Unknown political candidate	2
— Director of local consumer Protection Agency	1
— Legislator for the bill	2
— Legislator against the bill	2
— Owner of a new fashion boutique	1
— Stockholder in a new corporation of hamburger chain restaurants	2
— Inventor of an unmarketed water de-pollution agent	1
— Department store executive	3
— Established car dealer	1
— Owner of a new dealership of Buicks	1
— New T.V. star needing sponsorship in order to prove his popularity	1
— Consumer (high income)	2
— Consumer (low income)	2

Sample Role Assignments

— Consumer (middle income)	2
— Neutral (producer of T.V. talk show)	1
— Neutral (Moderator of T.V. talk show)	1
— Neutral (Director + writer for T.V. talk show)	1

STUDENT HANDOUT I #6

Below is a chart showing the family financial profile of families A, B, C. Each of the families needs a new car.

FAMILY:	A	B	C
Take-home income	$15,000	$8,800	$5,700
Dependents	1	0	2
Fixed Expenditures	$10,500	$5,850	$4,580
Savings	$ 6,000	$2,000	$——

Below is a list of cars and their total cost if one pays cash or uses the best credit offer over a period of 3 years.

CAR	*CASH COST*	*CREDIT COST*
V.W. Sedan	$2,379	$2,735.85
Buick 225 with options	$5,468	$6,289.20
Chevrolet Custom Nova No Options	$3,798	$4,367.70

Family A chose to purchase the Volkswagen sedan. Family B chose to purchase the Buick 225, and Family C chose to purchase the Chevrolet Nova. Family A was the only family paying cash. Families B and C chose three year credit terms.

Given the above information which of the statements below do you think most accurately describes the values and goals of each family as evidenced solely by the purchase decisions described.

1. Family A placed little status value on the car they drove.
   a. valid b. invalid c. need more information
2. Families B and C were America-firsters and believed in purchasing only American-made products.
   a. valid b. invalid c. need more information
3. Family B is greatly concerned over debts incurred through credit buying.
   a. valid b. invalid c. need more information
4. Family C places greater value on a larger car than on a smaller debt.
   a. valid b. invalid c. need more information

STUDENT HANDOUT II #6

Benetha is a tenth grader. She has saved sixty dollars from a year long baby-sitting job. Benetha is a good student and hopes to go to the local community college. She knows her family won't have the money to pay for any of the cost.

The school prom is approaching and Daryll, the boy Benetha has been hoping would ask her did! Benetha has a real problem. She wants to impress Daryll. Benetha's father has been laid off for over a year and the family is going into debt. They cannot afford a prom dress for her. Her mother has offered to alter her older sister's dress. But it isn't really in style.

The local department store has advertised a prom dress featured in Seventeen—at $45.00. If she spends it her savings will go down to $15.00. If she doesn't buy it—what will Daryll think when he looks at the girl he used to date in the latest fashion?

You are Benetha. What are your alternatives? What is your choice?

STUDENT HANDOUT III #6

Examine the following data concerning the 1965-1968 Federal Budget expenditures.

A. 43.1% of total budget used for: National Defense

B. 25.2% of the total budget used for: Health, labor and welfare costs

C. 2.2% of the total budget used for: education

On the basis of the above statistics formulate some statements concerning the values and goals of our national government as indicated by these expenditure statistics.

• Data from 1969 issue of Pocket Data Book U.S.A. published by U.S. Department of Commerce—page 84.

STUDENT HANDOUT IV #6

Formula for unit pricing

Total amount of units — retail price
equals unit price

Sample Exercises

Which would a wise consumer choose?

1. Same brand of cola
   a. 16 oz. for 21¢
   b. 6 8 oz. bottles for 97¢
   c. 1 qt. for 32¢
2. Same brand of potato chips
   a. 9.5 oz. for 57¢
   b. 12 oz. for 79¢
   c. 6.3 oz. for 39¢
3. Same brand of mouthwash
   a. 8 oz. for 36¢
   b. 16 oz. for 79¢
   c. 32 oz. for $1.41

Questions:

1. Is it important to compute unit prices?
2. Why don't manufacturers put unit prices on their products?
3. Would it be advantageous to the consumer if unit prices were listed?

STUDENT HANDOUT I #9

Rosa DeLeon had grown up in a small town on the island of Puerto Rico. Her family was never very well off financially and so the purchases they made were few. But some of her most pleasant memories were of accompanying her mother or father to the local store, where the shopkeeper would call her parents by their first names and, often, would slip her a small piece of sugar candy, while the adults exchanged friendly conversation before any business was done.

Rosa lives in a sprawling metropolis now. She came to the United States with her husband and four children less than a year ago. They found housing in a tenement building at $80.00 per month. Carlos Cruz, her husband, was not a highly educated man. The skills he had used in Puerto Rico were of little use here. He is able to find some employment, as a green house worker. Sometimes he also joins a group of migrant farmers and picks crops when they are in season.

Neither Rosa nor Carlos have learned to speak English well. They have passed through the downtown area of the city once or twice. The glittering shops and sophisticated, well-dressed people they saw there made Rosa and Carlos Cruz feel uncomfortable. They were happy to see their end of town once again, where the people looked, spoke and lived as they did.

That autumn and late summer Carlos spent much of the time away from Rosa and the children picking crops. When he came home he had $350.00 in his pockets. That added to a savings of $75.00 gave them $425.00—surely enough to purchase a bed and maybe a table with chairs for the kitchen and some soft chairs for the living room. Rosa wanted to go shopping right away.

She was shy and uncomfortable about going into the city. She was not able to read the many English ads in the city papers. Besides transportation was expensive and very slow and she had a neighbor watching the children so she didn't want to be gone long.

Rosa remembered seeing a furniture store several blocks away from her apartment, so, she walked in that direction. When she reached the place she saw a large sign in the window which read in Spanish: "Complete Bedroom Set Only $150.00". While Rosa stood looking at the sign, a salesman came out and greeted her warmly in Spanish, saying his name was Al and asking her first name. She told him and he escorted her into the store talking all the while in fluent Spanish. He brought her over to see the "set" which the sign was advertising. It consisted of a bed with no mattress with a plastic tufted headboard and of a bureau which was nicked and was slightly unbalanced. Rosa asked if a mattress did not come with this. She was told it didn't but Frank would show her some other sets. He told her how high furniture prices were around and how lucky she was to find his store first. He showed her a bed with a wooden frame with built in springs and mattress. A bureau which looked newer and more stable. Rosa asked the price Frank replied "next to nothing" $35 down and $5 a week." Rosa asked how many weeks? He replied "not many" the whole set only costs $375.00" Rosa was really shocked! That was only $50 less than all the money she and Carlos had saved and there was no kitchen table or soft chairs!

Frank called over Dan, a fellow he introduced as the store manager. Dan said that even though they had already given Rosa a great price on the set he'd throw this table into the bargain". The table was a low end table the kind you put lamps on. Rosa had no lamps.

CONSUMER ALTERNATIVES

OVERALL OBJECTIVE

The student uses the decision-making process by analyzing consumer problems and exploring consumer information so that he can make choices to meet his needs and wants, current and future, which will enable him to obtain greater satisfaction from his available resources.

Individuals deal as consumers at the marketplace during their entire life time—from the time a child is old enough to buy a stick of candy at the corner drug store, to the time he makes the decision to buy a house, to the time he decides where to invest his retirement money. With modern technology flooding the market with thousands of items and models, what to buy becomes a real problem. After that decision has been made, whether to use current income, dip into savings, or use credit for payment becomes an issue.

Statistics show that Ohio ranks very high among the states in rate of bankruptcy and that many of these cases do not involve the poor or unfortunate but rather many households which seemingly should be able to live on their incomes. Thus, some concern should be given to teaching the student about budgeting and money management.

The consumer is not only concerned about how he spends his income but he also has the prerogative to save and/or invest a part of this income. Since the economic system depends on these savings and investments for existence, the student must be made aware of the purposes and places where he can save and invest.

Since the consumer constantly has the problem of making choices, it would seem valuable to teach the student, a present and a future spender, saver, and investor, a method of problem-solving. The following step-by-step process could become a simple, practical, and useful tool to him as he goes through life dealing in the market:

1. What is the problem? (What does he need or want?)
2. What are his goals relative to his values? (On what does he place priority?)
3. What are his possible alternatives? (What possible choices does he find to spend, save, or invest?)
4. What are the consequences to each alternative? (In each what will happen if that alternative is chosen?)
5. What is the best alternative? (Which choice will best solve his problem and accomplish his goals?)

If the consumer becomes proficient at making what are for him wise choices, this can result in additional purchasing power, more satisfaction, and greater economic security to him and to the total economy.

CONSUMER ALTERNATIVES

DECISION MAKING PROCESS

- Identify Want or Need
- Analyze Alternatives In Terms of Goals, Values, Resources
- Select One or Two Alternatives
- Guide And Control Decisions
- Accept Consequences and Responsibility of Decision
- Evaluate Decision for Future Reference

FLEXIBLE PLANNED USES OF MONEY—LONG & SHORT TERM GOALS

- A — Service
- D — Retirement
- V — Investments & Savings
- E — Credit
- R — Banking
- T — Transportation
- I — Housing
- S — Food
- E — Clothing
- M — Furnishings & Equipment
- E — Health
- N — Time
- T — Insurance
- S — Estates, Wills, Trusts

CONSUMER ALTERNATIVES

OBJECTIVE: The student develops and recognizes the value of a flexible plan for the use of his money when making economic decisions among various alternatives.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics	
Problem-solving Credit Cost of Credit	Mr. and Mrs. White have 5 small children; Mrs. White has developed a problem with arthritis in her hands and the doctor has said that she should have her hands in water as little as possible. Mr. White would like to purchase an automatic washer and an automatic dish washer, but he does not have cash or enough money in his savings to pay for them. He can foresee that they can afford an additional item in their monthly budget to make payments for the appliances. Why would a 30-day charge account not meet the Whites' credit needs? What about using an installment account? Could they use a Revolving or Open-end account; would there be finance charges; what carrying charges would be levied? Does Mr. White have a Credit Union from which he might borrow? What advantages or disadvantages would there be in this method of financing? What are the possibilities of Mr. White going to a loan company or the commercial bank with which he does business?	Community resource people Smith, CONSUMER CREDIT COSTS Johnson, REGULATION OF FINANCE CHARGES ON CONSUMER INSTALLMENT CREDIT

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Government	
Problem-solving	"Getting money is like digging with a needle spending it is like water soaking into sand." Japanese Proverb	*Poor Richard's Almanac*
Real value of money		
Budgeting	"Money is like a sixth sense without which you cannot make use of the other five." Somerest Maugham	
Money management	"He who buys what he does not want will soon want that which he cannot buy." Anonymous	
Price	"He who buys what he does not need steals from himself." Swedish Proverb	
	These quotations can be used to arouse interest in the real value of money or real income. They can lead in many directions for discussions but in the end the teacher should direct the concern toward a plan for wise spending.	
	Have students consider: 1. What does the first quotation mean to you? The second? 2. Can you think of any quotation you've learned in other classes which show the importance of money? 3. Have you heard your parents or grandparents make similar kinds of statements? 4. Would you write any original ones? 5. Do you need money? List all the things for which you now need money. 6. What would you buy today if given $10? 7. What would $10 have bought in 1950; 1930; 1780?	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics/American government	
Problem-solving Investment Safety Growth Interest Dividends Profits Ownership Creditorship	The consumer may choose to forego or postpone spending and put some of his income aside for investment. When he invests, his goal will be to have his money grow or earn, to put it where it will be relatively safe and secure, and/or to be able to convert the investment quickly to cash (liquidity). There are five basic ways to invest money: 1. Savings Accounts; 2. Life Insurance; 3. Stocks; 4. Corporate or Government Bonds; 5. Land or Real Estate. EXERCISE: Divide the entire class into groups of five; they are to imagine that they've been given $1,000; they may not spend but must invest the entire amount after they decide if they are interested most in safety, growth, liquidity, or a combination of goals. Each member of the group is to independently research one of the areas where they might invest. The group should be given time periodically to get together to report to each other their findings and finally to decide and later report to the class, in panel style, where they would invest their money and project the possible future of their investment. In the process of research, they may find experts who will want to visit and speak to the class or may find materials which they can use in their presentation to the class.	Community Resource People (Bankers, stock brokers, insurance and real estate agents) Free literature from New York Stock Exchange and insurance companies "Instructional Material for Classroom Use", The Department of the U.S. Treasury

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics	
Problem-solving	EXERCISE IN USE OF CREDIT	Local Bankruptcy Court Referee
	Case Study	
Opportunity Cost	The Carters were a newly married couple, Joe a car salesman, Mary a department store clerk. They were enticed into buying a house in a new development when the sign said "No Down Payment." They reasoned that the monthly payment was only $10 more than their rent. With small down payments, installment purchases, 30-day charges, and revolving accounts they managed to furnish the house and move. They joined the active social life of the neighborhood, and all went well until Mary became pregnant and the economy began to lag. Joe just couldn't sell enough cars to pay for the baby, keep up the house, and make all the payments. They probably would have ended in bankruptcy or trusteeship, like too many couples, but they were helped just in time by Family Service with free, professional financial counseling. The case worker helped them salvage their investment, and organize a plan for paying their debts and rebuilding their credit.	Booth, MONEY AND YOUR MARRIAGE
Credit		Hall, FAMILY CREDIT COUNSELING
		Local Better Business Bureau
	Suggested questions: 1. Are families like the Carters rare in our economy today? 2. Where do you think the Carters made their first financial mistake? What should they have done instead. 3. When comparing the economics of a living in the privacy of one's own home of a $110 a month to lifing in a efficiency apartment for $100, is $10 the only additional cost that would be involved? 4. What is bankruptcy? Do you think the Carters should have considered this course of action? Why or why not? Is the bankruptcy rate on the increase in Ohio? Do high income families ever go bankrupt?	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	5. What is trusteeship? What are the advantages and disadvantages to this method of solving financial difficulties?	
	6. What is the Family Service Association of America? To what other places might one go for financial counseling?	
	7. What is a budget? How might experience with budgeting have helped keep the Carters from getting into financial difficulty?	
	Suggested follow-up exercises:	
	1. Ask the local bankruptcy court referee to come to class and give bankruptcy statistics for your community and tell about common reasons for bankruptcy.	
	2. Assign exercises in budgeting:	
	a. List all expenditures the students made the previous week.	
	b. List estimated future needs and wants (what is the difference between needs and wants); make a list for next week; for next month; for the whole year (OUTGO).	
	c. Estimate all sources of INCOME for next week; next month; next year.	
	d. If the totals of OUTGO and INCOME don't balance—if OUTGO exceeds INCOME, there is a problem similar to the Carters; make adjustments.	
	EXERCISE IN SIMULATION (Refer to Case study) 1. Play "The Budgeting Game" 2. Play the game "Consumer"	Resource kit for teaching consumer education

GENERALIZATIONS:

1. Consumer credit permits the use of future income to satisfy present needs and wants.
2. Consumer credit comes in different forms.
3. Consumer credit services cost money in varying amounts depending on the type used and the institution from which it is obtained.
4. The real value of money is what it will buy and not in its face value.
5. Price is the one factor to consider in any purchase.
6. The price of products determine how much the consumer can buy with a given income.
7. Income not spent but carefully invested can lead to greater purchasing power and satisfaction.
8. Income not spent or invested is neither safe nor will it grow.
9. There is a degree of risk in any kind of investment.
10. A budget is the beginning of smart money management.
11. Smart money management can lead to greater satisfaction from one's income.
12. Smart money management can result in freedom from financial worry and tension.
13. The world of consumer spending is full of financial vocabulary and advertising slogans.
14. The wise consumer has understanding of the vocabulary which faces him at the marketplace and in all forms of advertising and selling.

CONSUMER ALTERNATIVES

OBJECTIVE: The student demonstrates that he can use the decision-making (problem-solving) process in making economic decisions to meet his wants and needs.

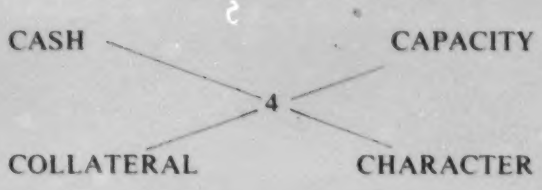
CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics/American government	
Problem Solving	An exercise in analyzing data and problem-solving:	*Consumer's Buying Guide*, A Benjamin Company/Rutledge Book, N.Y.C.
Needs and wants	RUG AND CARPET EVALUATION CHART	
Goals	Ratings: 1/Superior; 2/excellent; 3/good; 4/fair; 5/poor.	*Consumer Report* magazines
Economic Satisfaction		
Opportunity Cost		*Changing Times* magazines
Money Management		*American Home* magazines
		Popular Mechanics, Mechanics Illustrated, and *Motor Trend* magazines
	Teacher should ask questions like:	
	1. Did you know carpets were made in so many fibers? etc.	Reputable local dealers
	2. If you were most interested in a carpet, what would wear, what fiber would you buy? etc.	Government Printed facts from F.D.A. or Agriculture Dept.
	3. What information might you want that is not given on this chart: Where might you go to get it? etc.	
	Follow-up Exercise: Assign each student to choose one product he might be going to buy; ask them to gather reliable data about this product; ask them to decide, following a problem-solving method, on a particular product or brand they would purchase, have them report their decision to the class, showing how the decision was made and justifying it.	

Characteristic	*	**	***	****
Abrasive Resistance	3	1	3	2
Resiliency	2	2	2	4
Soil Resistance	1	3	2	2
Cleanability	1	3	2	2
Spot Removal	3	2	2	1
Non-pilling	2	2	3	2
Colorfastness	3	2	2	3
Non-allergenic	4	1	1	1

* Wool; ** Nylon; *** Acrylic; **** Polypropylene

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics/American history	
Problem-solving Needs and wants Scarcity Goals and values Opportunity Cost	Role-playing Situation: The Scene: dinner table, Jones home The Situation: John, age 14, wants his parents to buy a color TV to replace the 4 year old black and white one which has a questionable picture tube. His brother and sister disagree—Alex has outgrown his old bicycle and wants a new one, Amy does not like to watch TV. Mr. Jones knows that his car will be needing major repairs and presently has the problem of paying for Amy's braces. Mrs. Jones pays little attention to the family expenses since her husband pays the bills; her major concern is feeding the family on her household allowance. Setting the learning situation: Let the class ask questions about the characters and situation. Give the actors some ideas about their roles; brief the audience on what to look for as: Can everyone in this family have all he needs or wants? Does this sound like any situation you've ever found in your family? What values or goals seem most important to this family? If a decision is made to buy one item, what other items must be given up (opportunity cost)? Follow-up Discussion: Did the class agree with the attitudes and values shown? Were the characters aware of the consequences of each economic alternative? Would a ghetto or Appalachian family have had the same concerns? Why? Why not?	*Games* and *Role-Playing* from CTES Resource Kit for Teaching Consumer Economics *Consumer Education Series* filmstrip, "The Role of the Consumer", Association Sterling Films Historic novels can be read to give students ideas about how people lived during various periods.

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Technology Specialization Interdependence Self-Sufficiency	**Economics/American history** EXERCISE IN EVALUATING DATA AND TRENDS IN THE MARKET: % of Consumer Expediture Item 1780 1850 1934 1950 1960 Food ? ? 41% 32% 27% Housing ? ? 28% 26% 28% Clothing ? ? 12% 12% 11% Recreation ? ? 3% 5% 4% Education ? ? 1% 1% 2% Transportation ? ? 8% 13% 13% Suggested Questions: 1. What percentage of family total income is spent for food today? in 1934? Can you think of any reasons for this trend? What percentage of total income do you suppose a frontier family in the Northwest Territory spent on food? 2. Look at the percentages of income spent on transportation. Give some reasons to account for the great increase from 1934 to 1950 to 1960. Do you suppose it would be even greater today? Could you find some more recent figures? Where? 3. Why do you suppose the share of income spent on clothing went down from 1934 to 1960? 4. What consumer choices did the frontier teenager have in clothing? The rural teenager in 1850? The urban teenager in 1850?	*Frontier Ohio*, A Resource Guide for Teachers, Ohio Dept. of Education *Consumer Facts Yearbook*, National Consumer Finance Association, Washington, D.C.

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics/Government	
Credit	An exercise to create interest in and understanding of credit rating:	Local Credit Bureau
Credit Rating	(A Bulletin Board or Overhead Transparency)	Dun and Bradstreet
	HOW IS YOUR CREDIT RATING?	*Facts You Should Know about Your Credit*, B.B.B. of Metropolitan Boston, Inc.
		
	(aids to the Teacher) CASH refers to how much money the prospective borrower has on hand—cash for down payment. CAPACITY refers to the borrow's ability to repay—how much money does he earn; how stable is his job? COLLATERAL refers to equity, property, assets which can be converted to cash if necessary to pay off a debt. CHARACTER refers to the personal qualities of the borrower—usually determined by past performance with credit—how promptly did he pay—sometimes concerned with things like marital status, number of children, criminal record, etc. (A speaker from the local credit bureau can quickly make the students understand the importance of credit rating and how it affects them personally.)	

GENERALIZATIONS:

1. Consumers get greater satisfaction from their money when they learn to take advantage of information available about many of the products they are going to purchase.
2. Consumers get the most for their money when they have determined what they really want or need and when they really examine available products in light of their predetermined wants or needs.
3. Consumers learn that some features are standard, but that they cannot find all features in any one product, thus while buying for one feature, they usually must sacrifice another—opportunity cost.
4. Every family faces the problem of scarcity—limited resources but unlimited needs and wants.
5. Values and goals differ among individuals and families.
6. The principle of opportunity cost refers to considering the cost of an item not only in terms of dollars and cents but also in terms of other items one could purchase for the same price.
7. Not all people at all times spend their incomes in the same proportion or for the same goods and services.
8. With technology came a greater variety of goods and services to buy.
9. With technology came less self-sufficiency and more interdependence.
10. With technology came more mobility and a greater demand for transportation.
11. Credit rating determines if and how much a consumer may borrow.
12. A responsible consumer is concerned about establishing and maintaining a good credit rating.
13. There are institutions established to determine consumer (personal and business) credit ratings.

ROLES, RIGHTS AND RESPONSIBILITIES

OVERALL OBJECTIVE: The student will recognize the rights and responsibilities of consumers when buying and using goods and services and will exercise these rights and accept these responsibilities when assuming his multiple roles.

This segment is designed to place consumer economic concepts in a framework for analyzing behavior patterns of the consumer when he assumes his varied roles as producer, consumer, and citizen. In order to fulfill each of these roles successfully the student must be made aware of the rights to which he is legally entitled. Moreover, he must be encouraged to accept a corresponding responsibility with respect to each of said rights.

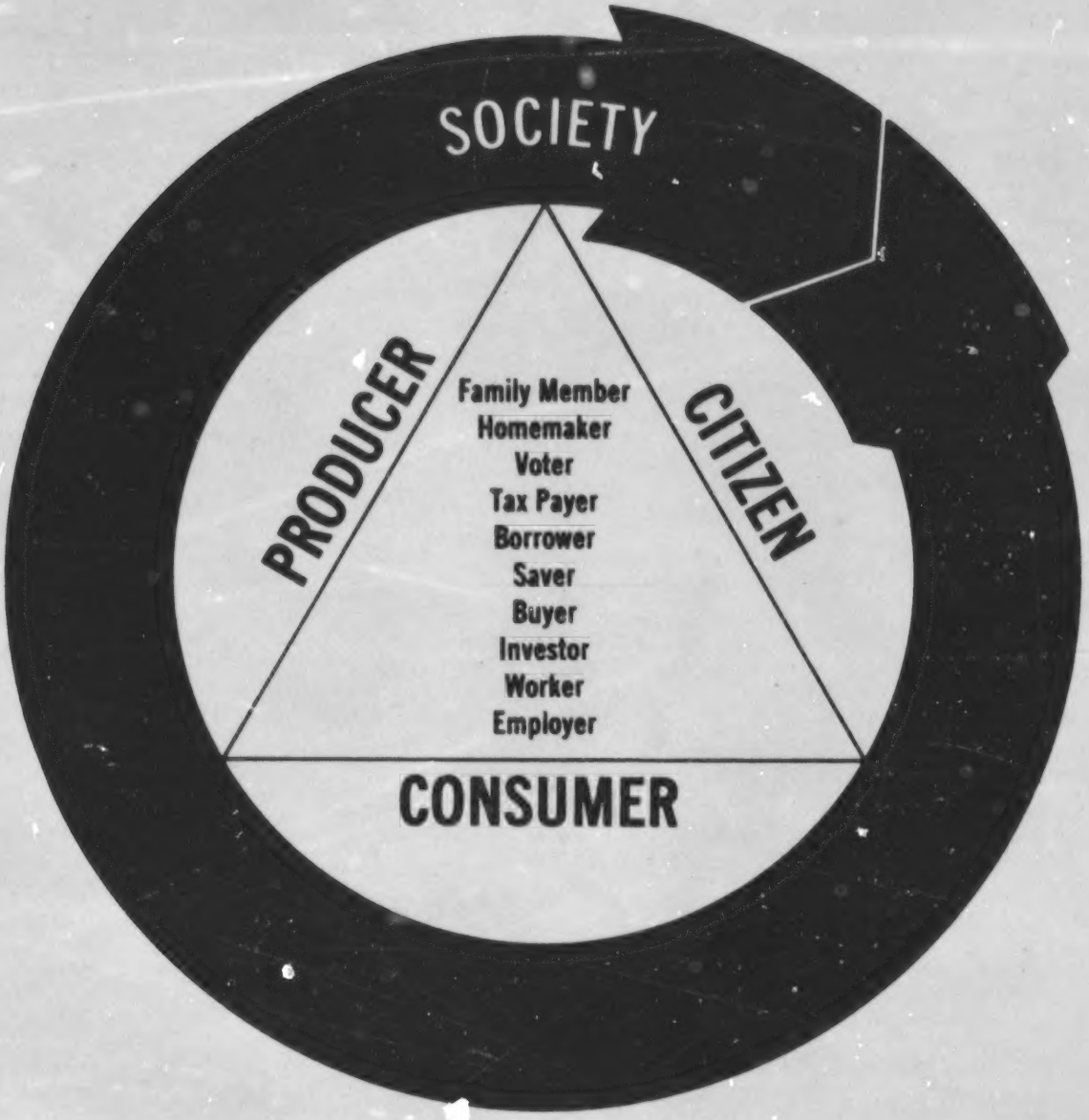
During the early part of the twentieth century graphic journalistic exposures of consumer problems aroused public opinion. When Americans became aware of the plight of the consumer, legislation to protect the public interest resulted. Deceptive trade practices as well as adulteration and misbranding of foods and drugs were prohibited. Agencies to execute legislative intent were created; support by a variety of organizations led to expansion of government protection activities at every level. Therefore, at the present time a wealth of legislation affords the consumer protection in the marketplace.

Although vigorous enforcement of antitrust laws was deferred until the Franklin D. Roosevelt and Kennedy administrations, President Kennedy's 1962 Consumer Message enumerated four basic rights, and President Johnson created the position of Special Assistant for Consumer Affairs. Not only has the Nixon administration demanded insistently that the consumer be accorded fundamental rights but a host of private organizations also safeguards him against part of the continuation of unethical techniques. Moreover, the vast purchasing potential of teenagers exposes them to varied fraudulent schemes. Hence, it is imperative that the student learns to become an intelligent consumer who is fully cognizant of the necessity to exercise his rights and accept his responsibilities to eliminate malfunctions within the marketplace.

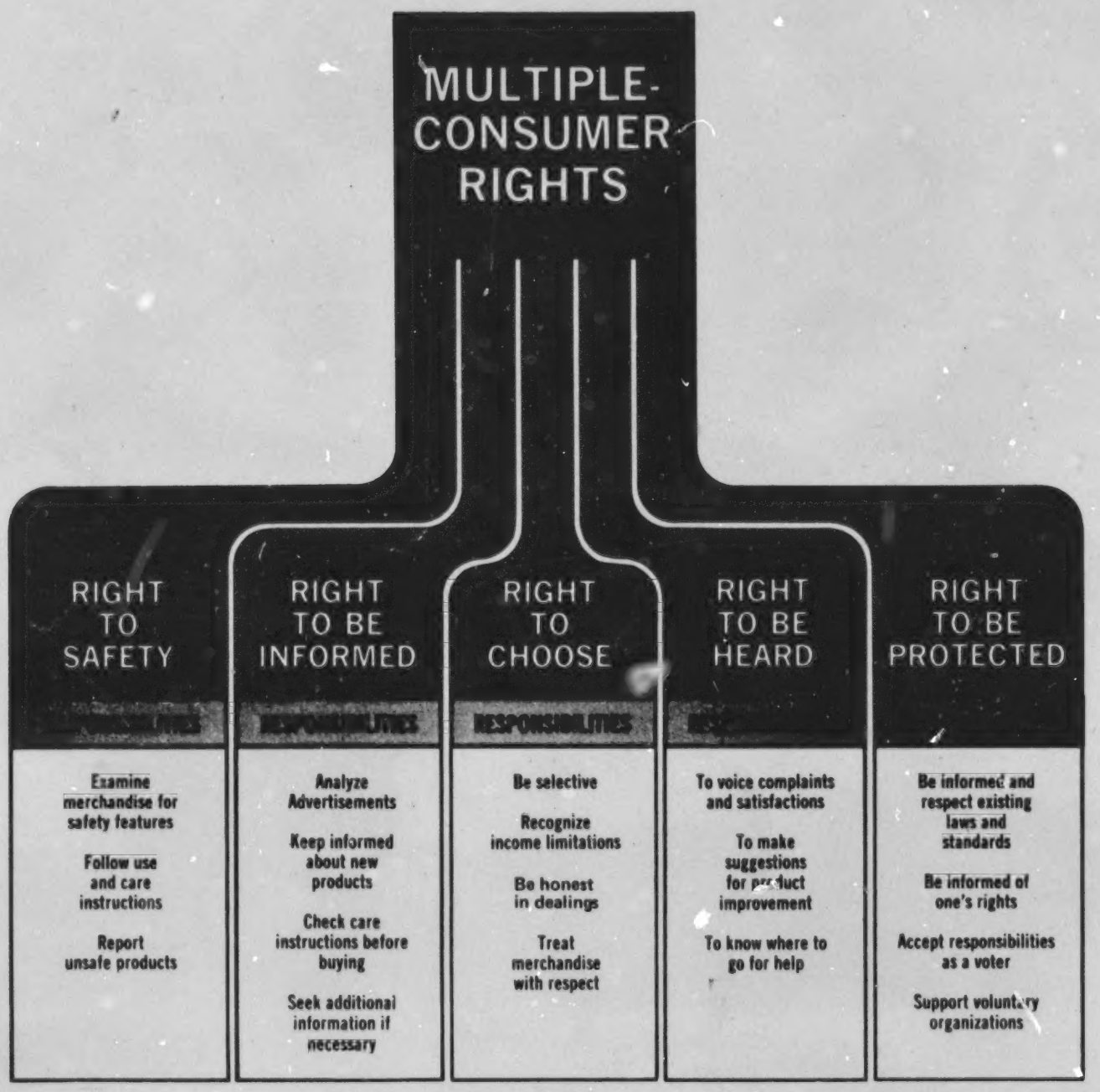
Therefore, the teacher is encouraged to provide opportunities for students to examine the governmental function as well as the social action function of our society. In addition, it is suggested that the changing nature of these processes, and future issues and trends be incorporated into consumer behavior roles.

In addition to the "Learning and Evaluation Experiences", this segment has included case studies which are based on actual fraudulent sales cases. These cases were selected to amplify the learning experiences and appear as problems to be examined. (e.g. Problems 1-4)

MULTIPLE ROLES OF THE INDIVIDUAL



RIGHTS AND RESPONSIBILITIES



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SEGMENT: ROLES, RIGHTS AND RESPONSIBILITIES

OBJECTIVE: The student identifies and uses the aid and protection afforded the consumer by business, government and independent organizations.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History/Government	
Consumer	(See student handout #1, Problem 1 It is possible for people to travel throughout the world with little cash in their pockets. Virtually any item can be charged today. The number of credit cards issued by oil companies, car rental firms, airlines, hotel, motel, and various diners' associations has increased greatly during the past decade. In all probability, the additional bookkeeping expense will be passed on to the consumer eventually, although one must not preclude the possibility that such increase may be absorbed by the expanded volume of business. Questions: 1. Do users of credit cards do more "impulse" buying than cash customers? 2. Do credit cards penalize cash customers? 3. Do they add too much to the cost of products and services? 4. Do most firms favor their use? 5. How do people feel about the automatic extension of credit to those who have not applied for it? 6. What dangers are involved in the use of credit cards? (Lost or stolen) Activities: 1. Read the backs of credit cards which been issued to your parents, relatives, and friends. Discuss the terms and obligations in class. 2. If you know anyone who has lost a department store charge plate, find out whether he had serious difficulties as a result of the loss. Share this story with your class.	Linder, ECONOMICS FOR YOUNG ADULTS

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	3. Conduct a survey among ten people who use credit cards and ten who do not favor their use. Contrast and compare the opinions and experiences of both groups. Use these as a springboard for a discussion of advantages and disadvantages of credit cards.	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Government	
Right to be protected Responsibility to: be informed and respect existing laws and standards	Truth in Lending Prior to 1969 it was quite difficult for the ordinary borrower to ascertain the real cost of credit, inasmuch as the lender did not have to tell the borrower what the true annual interest rate on his loan was. However, in June, 1969, the federal "Truth in Lending" law became effective. The lender must now inform the borrower of the true cost of credit. If he fails to tell the borrower of the true annual interest rate and any extra charges or if he gives misinformation, he is liable for payment of penalties to the borrower. Activities: 1. Have a student committee investigate the Truth in Lending Law. 2. Suggested questions: a. Before 1969 why was it difficult for the average borrower to determine the real cost of credit? b. What penalties may be invoked against creditors who give misinformation to borrowers? c. Give advantages and disadvantages of the "waiting period." 3. Use role playing to act out the procedure involved in obtaining a loan before and after "Truth in Lending." One member of the group may act as an applicant who wishes to borrow money to purchase an automobile; another member may act as interviewer for a commercial bank, a credit union, or a finance company.	Truth in Lending Act Credit Applications Samples of installment contracts A DEPARTMENT STORE IN THE CLASSROOM. Sears Educator Resource Series, 39-40. Credit union or finance company personnel

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Government (See Student handout #2)	
Right to be protected Responsibility to: be informed and respect existing laws and standards	Employment agencies play an important part in the nation's economy. Although a small minoirity of private agencies engage in questionable practices, the majority perform an invaluable public service by arranging to fill job vacancies with qualified personnel. Reputable agencies are licensed and generally are entitled to fees for services rendered.	"Facts you Should Know About Employment Agencies." Better Business Bureau of Central Ohio, Inc., Columbus, Ohio
Worker	In your opinion what course of action should Mary pursue? Has she grounds for a complaint to the local Better Business Bureau? Has she a remedy at law? State the reasons for your responses to each of these questions. Aids for the teacher: 1. A consumer has a responsibility to read and fully understand a contract before signing. 2. In Ohio employment agencies are licensed by the Ohio State Department of Commerce. 3. In general an applicant who signs the Employment Services Agreement is legally liable for the service charge, regardless of whether he read and understood the contract. 4. Failure to inquire does not, *per se*, excuse from payment of a service fee one who accepted a position other than "Fee Paid" job to which he was referred by an employment agency. In the above situation Mary would generally be compelled to pay the service fee to the employment agency, since she had a responsibility to inquire about a fee prior to her acceptance of the position with the firm to which she had been referred by "EZ" agency.	Personnel of Ohio State Employment Service

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES

Activities

1. Have students research early laws which governed employment, such as the master-servant relationship.
2. Ask a volunteer to register at the state employment service and another to register with a private employment agency. Both will report to the class which will compare and contrast the findings.
3. A committee might like to videotape (or prepare a tape or cassette) an interview with an employment counselor for a private agency.
4. Another group might wish to engage in a followup study of methods used by recent graduates of their high school to obtain the positions which they hold. This would involve formulation, distribution, administration, compilation, and tabulation of the results of a questionnaire.

GENERALIZATIONS:

1. The consumer has a responsibility to understand the importance of protecting his credit rating.
2. The consumer has a responsibility to encourage and support legislation which protects his rights.
3. A consumer has a responsibility to read and fully understand a contract before signing.
4. Acceptance without inquiry anent fee of a position other than a "Fee Paid" job to which you were referred by an employment agency may necessitate your payment of the agency fee.

SEGMENT: ROLES, RIGHTS AND RESPONSIBILITIES

OBJECTIVE: The student communicates to proper sources documented complaints and suggestions of consumer interest

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics (See Problem 2, Problem 3)	
Right to be heard Responsibility to voice complaints and suggestions Know where to go for help	Introduction: The files of the Consumer Frauds and Crimes Section of the Office of the Attorney General of Ohio are replete with multiple examples of complaints based upon the "bait-and-switch" tactic, which is one of the most prevalent of the deceptive strategies employed by unethical business people. Gullible consumers rise to the "bait" readily; lured by the prospect of a bargain in furniture, for example, they become easy prey for the "switch". When the customer enters the store intent upon purchasing the item which was advertised, the salesman will exert his utmost efforts to sell something which is more expensive. "Bait-and-switch" advertisements are used frequently in low-income areas. Many authorities attribute the frequency of this kind of complaint to the inclination of the press and and other mass media to accept any type of advertising. Suggested Activities: 1. Brainstorm the issue of the course of action which Jim and Jean should have pursued in this situation. 2. Ask the students to present hypothetical cases illustrative of the "bait-and-switch" tactic to the class. 3. Consult the local or area Better Business Bureau for literature and advice which will assist the consumer in his efforts to avoid the "bait-and-switch." 4. Write to the Office of the Attorney General for information relevant to this snare for unwary consumers.	Consumer Frauds and Crimes Section of the Attorney General of Ohio Better Business Bureau Levy, Feldman, and Sasserath, THE CONSUMER IN THE MARKETPLACE. Berger and Teplin, LAW AND THE CONSUMER (Justice in Urban American Series) Linder, ECONOMICS FOR YOUNG ADULTS Consumer Protection Association (Cleveland, Ohio) FRAUD, DECEPTION, AND OTHER ABUSES IN CONSUMER SALES AND SERVICES. Staff Research Report No. 102, Ohio Legislative Service Commission

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics, American Government (See Problem 4)	
Rights to be heard	Introduction:	Legal Aid Society
	The instructor should lead a discussion of basic elements of a contract, which may be summarized as: a contract is an agreement between two or more competent parties, based upon a sufficient consideration, to do, or not to do, a lawful, possible thing. This should be followed by a discussion of the basic elements of fraud which voids a contract. Briefly, distinctions should be made between voidable and void agreements. (in order to consitute fraud, there must be: (1) a misrepresentation—differentiate between mere "puffing talks"—such as "it will wear like iron," "it will last a lifetime," "it is the best in the market," etc.—which is merely a statement of opinion, and actual misrepresentation; (2) it must be of a material fact; (3) it must be made with the intent that another rely upon it; (4) he must so rely upon it; and (5) he must suffer damage thereby of such nature that legal action will lie—it must not be *damnum absque injuria*, in other words.	Office of Economic Opportunity
Responsibility to voice complaints and suggestions		Consumer Frauds and Crimes Section of the Attorney General of Ohio
Know where to go for help		Local bar association
User		Ohio State Bar Association
		Better Business Bureau
		Legislative Reference Service, The Library of Congress
		Local Chamber of Commerce
	Suggested Activities:	Goodman, TODAY'S BUSINESS LAW
	1. The members of the class may brainstorm fraudulent situations such as these which are given hereinafter: the type of deception should be discussed; consideration of the course of action which should be pursued should ensue; and appropriate agencies which could serve as sources of assistance should be brought into the session; ways of avoiding such perils should also be cited.	Levy, Feldman, and Sasserath, THE CONSUMER IN THE MARKETPLACE
		Berger and Teplin, LAW AND THE CONSUMER (Justice in Urban American Series)

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	2. Students might chart the agencies and individuals from which they could seek assistance in situations analogous to that cited hereinafter. 3. Students might share their experiences and those of their acquaintances which are comparable to that given hereinafter and in the Appendix.	FRAUD, DECEPTION, AND OTHER ABUSES IN CONSUMER SALES AND SERVICES. Staff Research Report No. 102, Ohio Legislative Commission.

GENERALIZATIONS:

1. The individual is obligated to take an interest in and responsibility for being an informed consumer-citizen if he desires to improve and protect personal consumer power and the economic system.
2. Public interest and cooperation are necessary for promotion and enforcement of laws which protect the consumer.

Student Handout # 1

The Individual v. the Computer

When Mr. Groot received his monthly statement upon his Xavier credit card, he discovered that he had been charged erroneously with $550.00 of gasoline purchases during the previous month. Therefore, he sent a letter to Xavier Corporation in which he informed them that he had made no purchases during the previous month and that his balance should be zero. At the end of the next billing period his balance read $1100.00. Each month thereafter for the next three months the only communications which he received from the Xavier Corporation were monthly statements on which the balance continued to double. Despite weekly letters of protest, Mr. Groot received only a series of form letters which threatened legal action unless the account was settled in full at once. Furthermore, Mr. Groot discovered that (a) he was unable to negotiate a small personal loan at a bank where he had borrowed various sums on previous occasions (b) his wife was unable to open a charge account at Loreleen Department Store and (c) he began receiving a series of nasty collection letters from a store when Mrs. Groot paid on her account two days past the due date.

Student Handout # 27

Mary Delay, a recent high school graduate, had been unable to find any type of employment, although she received an award as the best all-round graduate of the stenographic division of a leading vocational high school in the state. Finally a friend recommended the "EZ" employment agency.

An employment counselor of the "EZ" agency who interviewed Mary advised her that he would absolutely guarantee her placement within twenty-four hours without a penny's cost to her. Mary filled out and signed the application form at once without bothering to read it. The next morning the employment counselor called Mary to tell her to report to Swanno Corporation for an excellent "Fee Paid" position. However, when Mary reported to the Swanno Corporation the Personnel Director advised her that, although he would hire her on the spot for the position for which she had been recommended by the "EZ" agency, she really owed it to herself to accept another position with a month's annual paid vacation, a higher beginning salary, opportunity for advancement, and many attractive fringe benefits as well. Mary was so delighted with her good fortune that she promptly accepted the latter position. One week after she began work Mary received a bill from the "EZ" agency for its fee. When Mary called the agency to inform them of what she believed had been an error, she was told that she owed the fee, as the position which she had accepted was not a "Fee Paid" job.

DOOR TO DOOR SALES

Problem 1

Pauline was doing some housework in her apartment when she heard the doorbell ring. She wondered who it could be, since she had just moved to the city and didn't yet have many friends.

When she opened the door, a well dressed, smiling man was standing there. He introduced himself as Morris Glutch, and said that he was employed by World Wide Research and was taking samples in the neighborhood for a consumer acceptance survey of certain products. He told Pauline that she would receive a full set of plastic bowls if she would give him her opinion of a "revolutionary" new design in carving and steak knives. He assured her that there was no obligation to buy anything, and that he only wanted her opinion. Pauline invited him in.

Once he was seated in the living room, Mr. Glutch proceeded to pull out knives and brochures from his case. He told Pauline of the advantages of each knife over ordinary types and even demonstrated them in her kitchen.

After about forty-five minutes Pauline was tired and intimidated. She knew that there was many other things she should do with her limited income than buy Mr. Glutch's knives, but she wanted him out of her apartment. Pauline signed what she thought was an order form for two large carving knives, eight steak knives and some wooden salad bowls. The total price was to be $225, payable in installments. Mr. Glutch then departed with the signed note.

Several weeks passed, and one day a letter and coupon book arrived from a finance company stating that the note she had signed had been sold to them and she would have to make her monthly payments to them. After several weeks, a few pieces of her order arrived. Two of the salad bowls were cracked and there were no carving knives. The steak knives were of poorer quality than the ones Mr. Glutch had shown her. Pauline attempted to contact Mr. Glutch at his office but was informed by the telephone company that the phone had been disconnected. She then tried to write the company but never received any answer.

Pauline contacted the finance company. She was informed that she would be liable for the entire amount of the note and that she would have to pay, since the Finance Company was not responsible for the faults of the salesman or of World Wide Research. They informed Pauline that they had simply bought her promissory note in a normal business transaction, and that if she had any complaints about the merchandise, she should present them to World Wide Research.

Pauline finally found that World Wide Research was headquartered in another state. She wrote to them, but they replied that Morris Glutch had been an independent agent and that they were not responsible for his failure to deliver the merchandise. Pauline never found Mr. Glutch.

Finally, after several notices from the Finance Company, Pauline paid the note in full.

How to avoid the situation: If you are interested in the product, ask the agent to leave some literature and a price list and stop back in a day or two. Any legitimate salesman will be happy to do so. Once you have the information, check with your local merchant—often he sells the same item for less. Also call the Better Business Bureau or Chamber of Commerce. If a salesman has been working a territory for a while, they may have some information that will help you.

Finally, if further information is required, call the Consumer Frauds and Crimes Section of the Attorney General's Office.

REFERRAL SALES

Problem. 2

Ralph was an elderly widower living on Social Security. He was having trouble making ends meet, so when he saw the advertisement in the paper offering "income in your spare time—low investment, high return," he decided to investigate it. He called the telephone number in the ad, and a pleasant young lady made an appointment for a man to call at Ralph's home and explain the business opportunity.

When the time came for the appointment, a young man appeared at Ralph's door carrying a briefcase and a large piece of machinery that looked like a hairdryer. He introduced himself as Mike, and they sat down to talk. Mike explained that the ad was for the Atomic Engineering Company for which Mike worked as a regional distributor and that the company was a new one in the business of "central vacuum systems," a phrase that Ralph finally understood to be a central vacuum cleaning system.

Ralph had never heard of such a thing and had some doubts about its usefulness, but he and Mike soon passed this over to talk about Ralph's potential as an "area-wide sales coordinator" for Atomic. The figures Mike quoted for profits and sales were impressive. All Ralph had to do was give the company the names of prospective buyers of the "central vacuum systems" and he would receive $50 for each person referred who subsequently bought one. Mike said that in cities of the size Ralph lived in, it was not uncommon for an "area-wide sales coordinator" to make over $700 a month.

Ralph was watching his money problems disappear when Mike told him of the one other duty he would have to perform—to display the vacuum system to prospective purchasers in the area who wanted to see one in operation. That sounded reasonable to Ralph, and he was only a little taken back when Mike told him that for a small down payment, he could get started on his new career and pay the rest of the $600 for the model vacuum system in easy installments.

Ralph made out a check for the down payment and signed a contract and note to Atomic for the remainder. Two workmen appeared in a couple of days and installed the tubes and wiring in a couple of hours. Ralph didn't think much of the machine or its effectiveness, but evidently people bought it, he thought. Even after the first installment notice came from the finance company, Ralph wasn't worried. It was only after weeks passed and he never received any money, or even a phone call, from Atomic for the names he had referred to it that he began to be concerned. He knew personally of three people he had referred who had bought the vacuum systems.

Ralph called the company, and they denied that there was any payment for referral sales or that they ever asked any buyer for the names of other sales prospects. They said that Mike had been fired and that they couldn't be responsible for all the shenanigans he had pulled. After hanging up, Ralph hurried to his desk and pulled out his copy of the contract. It was true, there was no provision for payment by the company for referral sales. Ralph called the finance company who had bought his note, but they too told him they weren't responsible. Ralph contacted a lawyer, and he told him the same thing. Ralph, after missing some installments and having the finance company threaten to take his house, filed bankruptcy.

One lesson is clear from Ralph's case—read any contract very carefully and don't be influenced by promises or statements that aren't written down. Further, in any money-making scheme, it is very easy to project high sales and profits if you overlook the basic sales appeal of product. Sales projections should always be looked at skeptically. And finally, always investigate the reputation and business record of the company. Better Business Bureaus, Chambers of Commerce, and the Consumer Frauds Section of the Attorney General's Office keep such records on many companies.

BAIT AND SWITCH

Problem. 3

Jim and Joan Kirk were newly weds who had just moved into their first apartment. Like many couples just starting out, they wanted to completely furnish their new home. They had only one problem—money.

One evening as Joan was glancing through the newspaper, she notices an advertisement—"Three rooms of furniture for $299" and "No down payment and easy terms." She was delighted. She showed the ad to Jim, and they decided to go down and look.

Upon entering "Happy Jack's Furniture Outlet," they were greeted by a man who introduced himself as Happy Jack. Jim and Joan asked to see the three rooms they advertised. Happy Jack was glad to show them the suite.

What a surprise! The furniture was obviously of poor quality—the seams uneven, the wood marred, and a leg off one of the tables. As Happy Jack went on he told them he was convinced that such a nice young couple would not want stuff such as that. Instead, if they would just step into the next room, he would be glad to show them some really nice furniture.

The furniture was of much better quality, and it was really what they wanted. The only difference was price. In this case, the price was $1,800 for one room of furniture.

This is an old advertising trick. The ad was merely "bait" to lure Jim and Joan into the store; the salesman had no intention of selling the $299 furniture. Upon seeing the furniture and having the salesman deprecate it, the customer would naturally not be in the frame of mind to make the purchase—and this is what Happy Jack intended. It is at this moment that the salesman "switches" to another, more profitable product. The result in most instances is that the consumer, through clever business practices, ends up paying more than he had originally intended and can afford, and often for a product that is of inferior quality and overpriced.

TRADE SCHOOLS

Problem. 4

Dan, a friend of John and Jim Doe, had registered for a new computer school. Dan suggested that Jim and John, since they hadn't any future plans, talk to the school representative. The school sent out one of its agents to talk to the boys and their mother. The Doe family was told of the fine education the boys would be receiving in computers. The school would have only the finest instructors, there would be easy access to computers to facilitate learning and a wealth of practical experience could be gained, which upon graduation could be put to immediate use in a well-paying job.

This sounded great, but expense was the major problem—sending two boys to school on just the salary that Mrs. Doe was making would be impossible.

"Don't worry about that," said the sales agent, "we'll find them part-time work so they can help with the expense." Well this sounded good, so Mrs. Doe signed a promissory note for the tuition, payable in installments, and a contract.

When September came, John and Jim went to the computer school. The circumstances as explained to them by the school representative and what actually existed were considerably different. First of all, there would be no part-time jobs. As was explained to the boys, the school was not in the business of finding part-time work for students. The instructors were far from being "experts" -- classes were unorganized, instruction was presented in a haphazard manner, and there was no access to any computer equipment.

After two months, John and Jim dropped out. Mrs. Doe asked the president of the school for a refund, but he refused, saying—correctly—that the contract did not provide for part-time jobs, and that the instruction has been adequate. Mrs. Doe refused to pay the monthly installments billed her from a loan company—which had bought her promissory note from the school—and they threatened to garnish, or take, her wages in payment.

Mrs. Doe contacted an attorney, who in turn contacted the Consumer Frauds Section of the Attorney General's Office. Mrs. Doe was told that even though there had been no part-time jobs and the school was not adequate, she was legally obligated to pay the loan company. In legal terminology it was a "holder-in-due-course" of the promissory note and was not responsible for the misrepresentations of the computer school.

Nevertheless, a compromise was worked out in this case with the computer school and the loan company and Mrs. Doe's obligation was reduced to tuition for the amount of time her sons were in school.

COMMUNITY RESOURCES

OVERALL OBJECTIVE

The student is knowledgeable about community resources and identifies those which can supplement an individual's income or satisfactions and those which can contribute to his protection, his rights and his environment to the extent that he can make use of or assist in the activities involved in these services when necessary or desirable.

The objectives of this section are designed to help the individual become acquainted with various agencies found in any community which will help that individual expand the supply and use of his income. Many of these resource agencies are provided by various government programs through tax funds; others are provided by business, industry, and private philanthropic organizations for public use.

The individual needs to choose the agency which is most convenient and effective for his personal needs. One test of an effective consumer education course would be whether or not students are able to utilize community resources to better achieve his desired life style. Each class should be reminded that the one best single directory for locating community resource agencies is the local telephone directory.

The local public officials, such as the mayor and city manager, in addition to state and national representatives and senators should be contacted for information and assistance.

COMMUNITY RESOURCES
SUPPLEMENTAL INCOME SERVICES
PROTECTIVE SERVICES
Local
State
Federal
Local
State
Federal
PUBLIC AND/OR PRIVATE

SEGMENT: COMMUNITY RESOURCES

OBJECTIVE: The student is knowledgeable about community resources and identifies those which can supplement an individual's income or satisfactions when necessary or desirable.

CONCEPTS	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Government Economics	
Economic: a. justice b. security Socialism Traditional Values	Research the benefits that are available to a person about 30 years of age who has just lost a job due to the closing of a retail outlet store. This person has one child who is handicapped and in a wheel chair. Using the information discovered set up a role play between a woman, age 30, who has one child seven years old in a wheel chair due to a birth defect, and interview person at the state employment office. The woman is a high school graduate. She was working as a clerk in a local dress shop. The dress shop went out of business because the building was being torn down for urban renewal. The owner chose to retire rather than relocate. The woman has no husband. Let the class evaluate the two persons in the situation on these points: 1. Did the interview person know the benefits and help available to this person? 2. Did the woman role player ask enough questions to really use the information received properly? Such basic questions as where some of the agencies mentioned were located needs to be covered.	Family Service Social Security Rienow, AMERICAN GOVERNMENT IN TODAY'S WORLD, D.C., Health, pp. 491-498 Employment office Welfare Department

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History (Mexican War Era)	
Public welfare Distribution of of income Savings	Have students assume they are seventeen years old and the eldest of three children. Suppose you have two brothers ages 15 and 12; the mother died last month of a heart attack; there are no other relatives like aunts, uncles, etc. You receive word from the government that your 47 year old father, a general (one star) in the U.S. Army was killed two weeks ago leading the attack on Grasshopper Hill near Mexico City. Your father has been in the military for 16 years. Contact as many agencies as possible, using today's rates and dollar values, what will your income be per month? What cash insurance benefits will your family receive? Is there any help for future college expenses? Legally, can you become the head of the house or will everyone have to go to a children's home?	U.S. Army Recruiter Social Security Office Welfare Office Local Legal Aid Society

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics	
Social Welfare	Provide your students with Student Handout #3 about Danny. This may be done by reading the information to the students or by reproducing it so that each student may have a copy. This lesson may be done as a class project with small groups of students searching out each agency for information or one person doing it all for a special project or in whatever way seems to be best for meeting the class needs. After researching the material available and contacting the agencies available, deal with the following questions assuming Danny lives in your town. 1. Where does he go to find out about taking the subjects he needs? Is there a cost of taking these courses? 2. Are there any Social Security or Veterans Benefits available to him? 3. Will his income tax situation be affected in any way by taking these courses or by receiving Social Security or Veterans Benefits?	Board of Education High School Counselor Night School Office Internal Revenue Service Social Security Office Veterans Benefits Office

GENERALIZATIONS:

1. Always prepare properly before going for a job interview.
2. Handicapped children may receive special benefits.
3. Aid for children is designed to keep the fatherless home together for the good of the child.
4. Professional help is needed to track down all possible resources for aid.
5. Many sources of aid are available for parentless children.
6. Families and governments need to provide for the economic security of others.
7. Educational needs never end.
8. Educational expenses sometimes affect income tax returns.
9. Use of various community resources can help solve personal problems.

OBJECTIVE: The student identifies the protective agencies which can contribute to his protection, his rights and his environment, enabling him to be knowledgeable about the services to the extent that he can make use of or assist in the activities involved in these services.

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Government	
Human Rights and Dignity	Role Play:	Fourth Amendment to the U.S. Constitution
Social Status	A poor person in the central part of Cincinnati has lived in his apartment only two days. As the family is sitting down to their evening meal three men burst in the door.	Any government book, the section on the rights of the people
		Legal Aid Society
	Roles: Father, age 28, high school drop-out. Mother, age 25, high school drop-out. Son, age 8	Local Police Department
		Local Bar Association
	Three men searching for a supply of heroin and acid.	

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American Government and Economics	
Consumer Bureaus Market System Supply and Demand Freedom of Choice	Family Situation: Mother has discovered that the local grocery store has: 1. Advertised goods they do not have. 2. Improper weights on the produce packaged in the store. 3. Been selling day old bakery goods for fresh. 4. Placed chemicals in their meats in order to appear fresh. Mother complained about these poor business practices to the manager. He told mother to shop elsewhere if she wasn't happy. Draft a letter that could be sent to the government agencies complaining about the store. Draft a libel free letter to the editor of the local newspaper pointing out this fradulent business operation.	Telephone Directory Chamber of Commerce U.S. Consumer Service State Department of Weights and Measures

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
Public Health: Local State Federal	**American History, Civil War Era** As a class project, or an independent study project for one person or a small group of persons, research the following areas: 1. What are the services of all health agencies in your town today? 2. Consider a community the size of the one in which you now live—place this same size community in northern Georgia in the year 1864. What would the health problems of such a community in that geographic areas in that year be? 3. What health services were provided by various agencies in 1864? The students should visit the various health agencies and/or invite representatives from these agencies to explain the scope of their services. The agencies should be asked if they have records of health problems of 1864. The agencies should also be asked what their major health problems are today, and what future problems they expect. List the various possible resources on life in the South at the end of the Civil War to gain some insight into the health problems at that time.	U.S. Dept. of Health State Dept. of Health Local Dept. of Health newspaper files of 1864 the novel: ANDERSONVILLE by McKinley Kantor

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History, Economics, and Government	
Civil Rights Rights of Citizens Growth of public welfare	Read the story of Sam found in handout #7. 1. Where could Sam go for help in 1874? 2. What additional agencies are available to Sam in 1970? 3. Is such a story possible? 4. Do you know of people in your area who have had such problems?	Ohio Civil Rights Commission NAACP SCLC Legal Aid Society Bar Association State Senators and Representatives Council of Churches Council for Human Dignity

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History	
Private aid for the time of personal distress.	Ashley has been away at war for two years. His family lives in Atlanta, Georgia. They have not received any letters from Ashley for two months. He wrote in the last letter that next day he was moving out to the front area where the fighting was taking place. Today, Ashley's mother died. What private agencies are available to try to locate Ashley if the war were: 1. Civil War 2. Spanish American War 3. World War I 4. World War II 5. Viet Nam conflict	Red Cross U.S.O. Council of Churches American Legion Historical References to the founding of the Red Cross

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History, Economics, and Government	
Private and public aid for workers Child labor Child welfare	During the beginning of the industrial revolution there were many families who had every member over the age of 12 or so at work. Small children were left alone or on the street. Read books like Richard Hofstader's THE AGE OF REFORM or Margaret Leech, IN THE DAYS OF McKINLEY or Sinclair Lewis, THE JUNGLE. Try to compare the plight of the poor then with the plight of the minority poor in the cities today. Survey your community to see what the opportunities are for mothers to have cheap good care for their children while the mother works. (Other books for this era are: FIVE STONE FOR DANNY by Robbins and STUDS LONIGAN By Farrell)	Council of Churches Red Feather Agencies Salvation Army Family Service

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History.	
Protection	Two disasters of note (one produced by man and the other by a combination of man and nature) were the Chicago fire and the fire related to the San Francisco earthquake. Recently in the civil upheavals in places like Watts and Hough the results have been worsened by fires. The losers are always the persons who live there more so than the absentee landlord from the "other side of town."	Firefighter's Association Local fire and police departments Leaders of local power groups like NAACP, SCLC, CORE, Panthers
	Bring into class the fire chief, policeman, head of Civil Defense, insurance representatives of fire agencies. Find out what the chances are of your community being destroyed by fire. What help is available to your community during the time of disaster? Can property be insured against loss in the times of riots or situations like the Chicago fire or the San Francisco earthquakes? In the long range point of view could situations like Chicago, Frisco, Watts be justified?	Civil Defense leaders REACT units Insurance companies

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	American History and Government	
Social welfare	See student handout #11. 1. What are the laws concerning drunkenness in your community? 2. What are the typical punishments for public intoxication in your town? 3. What agencies exist for the treatment of drunkenness and alcoholism in your town?	Alcoholics Anonymous Council of Churches Public Health National Council of Alcoholism

CONCEPT	SUGGESTED LEARNING AND EVALUATION EXPERIENCES	SUGGESTED RESOURCES
	Economics and Government	
Protection of Consumer	Role Play: Dr. and Mrs. Smith have had a new cleaning lady for a month. Today as they sit down to lunch Mrs. Smith notices that Hazel is concerned about something. (Hazel has noticed that the prices on the boxes, cans, packages of the items in the cupboard of Mrs. Smith are less than Hazel pays for the exact same items. This includes soap powders, light bulbs, cleaning supplies, canned goods, breakfast foods, etc.) As they sit down to lunch: Mrs. Smith—"Hazel, What's bothering you?" Hazel—"Nothing, nothing at all." continue role play Questions of importance: 1. What can Hazel do to help herself? 2. What can Mrs. Smith do to help Hazel?	Local Chamber of Commerce Legal Aid Society City manager of mayor's office Consumer agencies Local newspaper Better Business Bureau

GENERALIZATIONS:

1. Search and seizure is only legal under the issuance of search warrants.
2. Free legal services are available when rights are violated.
3. Persons representing agencies of government carry identification cards and possess proper search warrants.
4. The consumer has to be aware of the quality of products he purchases.
5. The consumer has an obligation to report fradulent business practices.
6. Government agencies exist to protect the consumer.
7. Part of the reason for the high rate of death of the Civil War was disease problems rather than warfare.
8. Proper use of health services can raise our standard and pleasure of living today.
9. Americans serving in government and military stations in the under developed areas of Africa, Asia, and Latin America face many of the same health problems as did soldiers of the Civil War.

10. Economic and racial prejudice are still very much with us.
11. The poor and uneducated have unusual problems due to their educational and economic position.
12. Help for the poor and uneducated is increasing considerably in recent years.
13. Auxiliary services provided by private donations for the benefit of servicemen and their families have grown and improved throughout the history of our country.
14. Even with improved welfare services, the poor still have severe problems.
15. Many welfare agencies still do not have the personal services that are so necessary for the dignity and personal needs of the people.
16. There are many protective agencies to assist in the time of disaster.
17. Public ignorance and/or apathy many times contribute to disaster situations.
18. Many problems have stayed with man throughout history.
19. Man has the responsibility to care for his fellow man through the tools of government.
20. Social ills affect the standard of living of everyone in the economy.
21. Because of economic conditions, certain sub groups in our society expend a greater percentage of their wealth for necessary goods and services.
22. Consumer agencies should be used to control unfair practices.
23. Chances are, the poor have to pay more for identical goods and services, than middle and upper income groups.

STUDENT HANDOUT I, #3

STORY OF DANNY

Danny graduated from high school only a year ago. In school he took a light program of going to school half day and working half day in grades 10, 11, and 12. His school had an approved work program for the students whereby the student could go to school half time and still hold down a full time job. The student would receive credit for the job he held down as well as his regular pay. Students enrolled in such a program would take only the basic required courses for graduation. There was not time for elective or enrichment subjects. Danny worked at a Standard Oil Service Station for the last four years. Standard Oil has recognized that Danny is a good worker, is responsible and dependable, gets along with people well. He has been offered training for advancement with Standard Oil at company expenses. The hitch is that to qualify for the Standard Oil training program Danny needs to take Senior English and algebra.

Danny has been married for over a year, has no children. His wife does not have a job. She dropped out of school at the end of grade 10. Danny has been told that since he is under 19 and his father was killed in the Korean War that he may get some help to go back to school.

STUDENT HANDOUT I, #7

STORY OF SAM

Place: Southern Indiana Time: 1875 and 1970

Sam, a Negro, is 25 years old, married, with two children. He was born and raised on his small farm where he still lives. He has never traveled more than ten miles away from his farm. He raises tobacco and sweet corn. The tobacco he sells to "the man" that comes around each year at harvest time. Sam has always been satisfied with the price he receives. The sweet corn is sold by his wife in a little stall they have at the bottom of the hill next to the Indianapolis-Louisville Pike. Sam and his family raise most of their food. They buy other necessities through the mail order catalog or from the salesman who comes around twice a year. Sam is a good man—pays his bills—cares for his family—works hard—attends church twice a week.

Sam received a notice today that the government is taking his land for a new road. Sam will not receive any money for his land as there is no deed or records that he owns it. He has to be off the farm in three months, just before harvest time for the tobacco.

STUDENT HANDOUT I, #11

(excerpt from page 139 of FRONTIER OHIO published by the State of Ohio, Department of Education.)

DRUNKENNESS

If any person shall be convicted of drunkenness . . . . . the person so convicted shall be fined, for the first offence, in the sum of five dimes, and for every succeeding offence, and upon conviction, in the sum of one dollar; and in either case, upon the offender's neglecting or refusing to pay the fine, he shall be set in the stocks for the space of one hour.

GLOSSARY*

Advertising: the art or practice of selling goods or services by means of paid notices.

Automation: the process whereby human labor is eliminated, reduced, or replaced by machines in order to increase production or decrease costs.

Bankruptcy: the legal procedure whereby one petitions the federal court for permission to be discharged from the obligations of one's indebtedness.

Barter: a simple, direct exchange of surplus goods and/or services for a desired one.

Budget: a statement of estimated income and a plan for spending over a period of time.

Buying on Time: making a purchase which is to be paid for in installments over a period of time.

Consumer: one who uses goods and services to satisfy his own needs. Distinguished from a producer, or merchant who resells goods and services.

Consumer Alternatives: A list of the many goods and services from which a consumer may make choices.

Consumer Determinants: those external and internal factors which significantly influence decisions, primarily: income, personal goals and values, and availability of alternatives.

Credit Rating: the determining factor in the amount one can borrow, computed after considering cash, character, capacity, and collateral.

Damnum Absque Injuria: injury for which there is no recovery at law.

Debt: that which is due from one person to another; a thing or amount owed; any liability or obligation to pay or return something.

Debtor: One who owes something, e.g., a sum of money, to another.

Default: failure to pay money due; or to fail to make payment due when required.

Dividend: the owner's share of profits; money return received by a stockholder on his investment.

Down Payment: a partial payment made at the time of a purchase—usually a percentage (e.g., 10% or 20%) of the total purchase price—which reduces the amount to be financed, and, consequently, the interest charge.

Durable Goods: goods or commodities which are not destroyed in use and are useful to consumers for an extended period of time, such as appliances, furniture, automobiles, etc.

Expenditures: the expense or money paid for goods and services.

Fraud: an act of deceit or a breach of confidence by which one seeks to gain unfair advantage.

Holder in Due Course: one who comes into possession of a negotiable instrument in good faith and has given consideration for it.

Human Capital: refers to productive skills that are learned and accumulated.

Human Resources: are qualities which are dependent upon educational attainment, skills, health, motivation, and mobility.

Impulse Buying: the act of making purchases on the basis of emotional appeals with little or no forethought. Often such buying results in ownership of unneeded and unused items, as well as in the unnecessary outflow of income.

Investment: the commitment of one's money to some activity that offers income or profit.

Liquidity: the speed with which assets can be converted to cash.

Merchant: one who buys goods and sells them at a profit; a store keeper who sells things at retail.

Money Management: the individual's skill of allocating the limited resources of money.

Needs: those goods and services which are essential for life.

Prices: the exchange value of a commodity or a service stated in terms of money.

Problem-Solving (decision-making): a step-by-step process which leads to a logical decision or conclusion.

*Supplement of *Consumer Education, Curriculum Guide for Ohio, Grades K-12*, p. 151.

Puffing Talk: mere statements of opinion.

Rent: income received from use of land or property.

Specialization: the training of a worker in a particular job or skill in order to increase production and efficiency; division of labor.

Stock: a share of ownership in a corporation.

Take-Home pay: the net amount of a periodic pay check after deducations for federal, (and state and/or city) withholding taxes, social security, hospital insurances and other purposes.

Taxes: compulsory payments to a government made by its citizens to permit the government to carry out agreed-upon tasks. A compulsory charge upon income or property levied by governmental representatives for the support of the government.

Technology: the degree of automation of mechanization used in the production of goods and services based upon knowledge and use of tools.

Trusteeship: the legal procedure whereby one requests the permission of a local court to manage one's income.

Unit Pricing: the process of computing amount paid for a commodity per unit of measure (oz., lb., pt., etc.), as opposed to the total price paid for the entire package.

Wants: those goods and services which make life more pleasant and comfortable.

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Academic Games Project Center for Study of Social Organization of Schools The John Hopkins University 3505 North Charles Street Baltimore, Md. 21212	CONSUMER ECONOMIC SYSTEM POOR PEOPLE'S CHOICE MARKET GAME
Holt, Rinehart & Winston, Inc. 383 Madison Ave. New York, New York	ECONOMIC DECISION GAMES
Science Research Associates, Inc. 2259 East Erie St. Chicago, Ill. 60611	ECONOMIC SYSTEM GHETTO
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